TEMPORARY ASSISTANCE FOR NEEDY FAMILIES PROGRAM

(TANF)

Tenth Report to Congress
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES
Administration for Children and Families
Office of Family Assistance

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Executive Summary

The Temporary Assistance for Needy Families (TANF) program provides a fixed block grant of about $16.5 billion to states, territories, and Washington, DC (hereafter referred to as "states"). Additionally, federally-recognized American Indian Tribes and Alaska Native organizations may elect to operate their own TANF programs. The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) created TANF, repealing the Aid to Families with Dependent Children (AFDC) and related programs.

The TANF program continues to serve as one of the nation's primary safety net programs for low income families with children. TANF helps families foster healthy and economically secure households and communities for the well being and long-term success of children and families. TANF funds monthly cash assistance payments to low-income families with children, as well as a wide range of services that are "reasonably calculated" to address the program's four broad purposes, which are to:

> (1) provide assistance to needy families so that children may be cared for in their own homes or in the homes of relatives;
>
> (2) end the dependence of needy parents on government benefits by promoting job preparation, work, and marriage;
>
> (3) prevent and reduce the incidence of out-of-wedlock pregnancies and establish annual numerical goals for preventing and reducing the incidence of these pregnancies; and
>
> (4) encourage the formation and maintenance of two-parent families.

This report provides data through FY 2011 (or the most current information if FY 2011 data is not available) and presents information regarding TANF expenditures and caseloads, work participation and earnings, the characteristics and financial circumstances of TANF recipients, TANF performance measures, interactions between TANF and child support, as well as specific provisions of state TANF programs. In addition, this report documents current family self-sufficiency and stability-related research, describes federal efforts to promote healthy marriage and responsible fatherhood, provides national data on out-of-wedlock births, presents child poverty statistics, and shares information about the Health Profession Opportunity Grants (HPOG) program. Below is a short summary of each chapter in this report.

TANF Expenditures

In Fiscal Year (FY) 2011, states received federal TANF block grants and Supplemental Grants totaling $16.5 billion. In addition, 20 qualifying states received a combined total of about $332 million in FY 2011 Contingency Funds.

Combined federal TANF and state Maintenance-of-Effort (MOE) expenditures totaled $30.6 billion in FY 2011. TANF and MOE funds can be spent on "assistance" and "non-assistance." "Assistance" includes cash and other benefits designed to meet a family's ongoing basic needs. The major TANF program requirements (e.g., work requirements, time limits on federal assistance, and data reporting) apply only to families receiving "assistance." "Non-assistance" benefits are those that do not fall within the definition of assistance, and include expenditures such as child care, transportation, and other work supports provided to employed families, non-recurrent short-term benefits, work subsidies to employers, and services such as education and training, case management, job search, and counseling.

In FY 2011, total federal and state TANF expenditures on "assistance" amounted to $11.1 billion, compared with $19.5 billion spent on "non-assistance."

States can transfer up to 30 percent of their TANF block grant into the Child Care Development Block Grant (CCDBG) or the Social Services Block Grant (SSBG). In FY 2011, states transferred $1.6 billion into the CCDBG and $1.1 billion into the SSBG.

Caseload

In FY 2011, a monthly average of 1.92 million families, with 4.6 million recipients, received TANF assistance funded either by federal TANF block grant funds or state MOE funds, including assistance funded through separate state programs (SSPs). These caseload figures only reflect the number of families receiving "assistance," which is largely comprised of monthly cash assistance payments to families.

The national average monthly number of families receiving assistance increased by 0.6 percent from 1.91 million in FY 2010 to 1.92 million families in FY 2011. There was considerable variation across states; the average monthly number of families receiving TANF or SSP-MOE assistance declined in 28 states from FY 2010 to FY 2011 and increased in 26 states over that same time period.

Work Participation Rates

Work participation rates measure the degree to which families receiving assistance in TANF and SSPs are engaged in work activities specified under federal law. The TANF statute specifies the work participation rate requirements for states. States must meet both an overall work participation rate and a two-parent work participation rate, or face a financial penalty.

The national average overall participation rate achieved in FY 2010 was 29.0 percent, which is consistent with the overall rates achieved since FY 2007 when the provisions of the Deficit Reduction Act of 2005, including new requirements for who is counted in the calculation of the rate, standardized definitions of countable activities, and new verification and monitoring requirements, went into effect.

The FY 2010 two-parent national average participation rate achieved was 33.4 percent, an increase from 28.3 percent in FY 2009. In FY 2010, of the 29 jurisdictions that served two-parent families through either TANF or SSP-MOE Programs, seven failed to meet their adjusted two-parent standard.

In FY 2010, an additional 14.8 percent of TANF families with a work-eligible individual (WEI) had some hours of participation but did not attain sufficient hours to qualify toward the work rate. States reported zero hours of participation in qualified activities for 55.7 percent of families. In accordance with the Claims Resolution Act of 2010, the Administration for Children and Families (ACF) prepared two reports that provide more detail on WEIs with zero hours of participation and those who do not fully meet work participation standards. One report covers the month of March 2011 and the other reports on the April-June 2011 quarter. The data from states indicate that individuals with zero hours of participation represent a range of situations including: individuals who are non-compliant and are in the sanction process; families disregarded from the participation rate because they were caring for a child under age one, were subject to a work-related sanction, or were participating in a Tribal work program; individuals the state or local agency failed to engage; and individuals who were exempt due to illness or disability.

Work and Earnings

In 2011, 54 percent of single mothers with children under 18 that had income below 200 percent of poverty were employed. For the one-fifth of families with the lowest income, the average annual earnings of single mother families (including those with and without earnings) in 2011 was $2,780 (in 2011 dollars).

TANF Performance Measures

HHS is required under Section 413(d) of the Social Security Act to annually measure and rank state performance in moving TANF recipients into private sector employment. Beginning with performance year FY 2001, ACF has calculated state job entry, job retention and earnings gains rates based on matching monthly listings of adult TANF recipients against the quarterly wage files on the National Directory of New Hires. ACF continues to use this data source for measuring employment among TANF recipients, though these rates are affected by economic and demographic factors and state eligibility rules as well as state performance.

Child Support Collections

At the end of FY 2011, there were 15.8 million child support cases. Custodial parents receiving TANF are required to cooperate with child support enforcement efforts. The vast majority of child support services are provided to non-public assistance cases. Cases in which the children were formerly receiving public assistance (defined as those families where the children are either recipients of TANF or entitled to Foster Care maintenance payments) constituted 43 percent of the FY 2011 Child Support caseload, and cases in which the children never received public assistance constituted 44 percent of the FY 2011 caseload. There were 2.0 million child support cases in which the child was currently receiving public assistance in FY 2011, accounting for 13 percent of the total caseload.

Federal law requires families that receive TANF cash assistance to assign their rights to child support to the state. States can then decide what portion, if any, of child support collections to transfer back to TANF families as unearned income and how much of that income should be considered during benefit and eligibility calculations.

Promotion of Healthy Marriage and Responsible Fatherhood

In 2010, Congress reauthorized healthy marriage and responsible fatherhood grant programs under the Claims Resolution Act and allocated $150 million to fund a new set of grants, specifying that funding should be equally split between healthy marriage and responsible fatherhood activities.

ACF's Office of Family Assistance (OFA) began implementation of the newly funded grant programs in FY 2011: Community-Centered Healthy Marriage and Relationships, Pathways to Responsible Fatherhood, and Community-Centered Responsible Fatherhood Reentry Pilot Project grants. This funding opportunity yielded 121 new and previously funded grantees to the Healthy Marriage and Responsible Fatherhood program.

Out-of-Wedlock Births

The birth rate for unmarried women aged 15-44 years decreased for three consecutive years from 51.8 births per 1,000 unmarried women in 2008 to 46.0 births per 1,000 unmarried women in 2011, which was the lowest birth rate for unmarried women since 2005. The proportion of births to unmarried women declined slightly from 41.0 percent in 2009 to 40.7 in 2011 after a steady increase since 1997.

The U.S. birth rate for women aged 15-19 was 31.3 births per 1,000 teenagers in 2011, representing a 49 percent decline from the rate of 61.8 births per 1,000 teenagers in 1991.

Child Poverty

In 2011, the Federal poverty threshold for a family of four (two adults plus two children) was $22,811. The overall national percentage of children (persons under 18) in poverty was 21.9 percent in 2011. This rate is not statistically different from 22.0 percent in 2010. The total number of children in poverty in 2011 was 16.1 million. The child poverty rate in 2011 was 5.7 percentage points higher than in 2000.

Characteristics and Financial Circumstances of TANF Recipients

In FY 2011, the average number of recipients in TANF families was 2.4, and there was an average of 1.8 recipient children. One in two recipient families had only one child. Less than eight percent of families had more than three children.
Eighty-three percent of TANF families received SNAP benefits in FY 2011, which is consistent with levels over the previous decade. These families received average monthly SNAP benefits of $382. In addition, 97 percent of TANF families received medical assistance in FY 2011.

The number of child-only cases (those where no adult is receiving assistance) was 854,300, in FY 2011, which accounted for 45.8 percent of the total caseload.

The average monthly amount of assistance for TANF recipient families was $387 in FY 2011. Monthly cash payments averaged $323 to TANF families with one child, $408 to those with two children, $485 to those with three children, and $588 to those with four or more children.

In FY 2011, about 18 percent of TANF families had non-TANF income. The average monthly amount of non-TANF income for these families was $725 per family. Twelve percent of the TANF families had earned income; the average monthly amount of earned income was $838.

Tribal TANF

Federally-recognized American Indian Tribes and Alaska Native organizations may elect to operate their own TANF programs to serve eligible families. By the close of FY 2011, 65 Tribal TANF plans were approved to operate on behalf of 298 Tribes and Alaska Native villages and serve the non-reservation area of 122 counties. Tribal TANF programs served an average monthly caseload of 15,727 families in FY 2011, and grants allocated to the approved programs totaled $181,679,029.

Federally-recognized Tribes and Alaska Native organizations that were Tribal Job Opportunities and Basic Skills Training (JOBS) program grantees under the former AFDC program are eligible to administer Native Employment Works (NEW) grants. NEW program grants support work activities and other employment and training services. During NEW Program Year (PY) 2010-2011 (July 1, 2010 – June 30, 2011), there were 79 NEW grantees.

In addition, 14 Tribal TANF grantees operate discretionary grants for coordination of Tribal TANF and child welfare services to tribal families at risk of child abuse or neglect. These Tribal TANF – Child Welfare Coordination grantees were selected through a competitive process in 2011. The project period for these grants is September 30, 2011 – September 29, 2014.

Specific Provisions of State Programs

The tables in Chapter XII were derived from information collected in the "Welfare Rules Databook: State TANF Policies as of July 2011," published by the Urban Institute with funding by HHS' Administration for Children and Families and HHS' Assistant Secretary for Planning and Evaluation. These tables include state-by-state information on benefit levels, work requirements, eligibility and benefit determination, sanction policies, cash diversion programs, time limits, domestic violence provisions, and family cap policies.

Family Self-Sufficiency and Stability-Related Research

The U.S. Department of Health and Human Services (HHS) sponsors, manages, and conducts research and evaluations pertaining to family self-sufficiency and stability, including projects relevant to management of the TANF program, studies of TANF recipients and low-income individuals, and families more generally, while focusing on evaluations of service interventions to improve family well-being. HHS' research and evaluation activities in these areas are carried out primarily by the Office of Planning, Research and Evaluation (OPRE) in the Administration for Children and Families (ACF) and the Office of the Assistant Secretary for Planning and Evaluation (ASPE). OPRE and ASPE coordinate their research agendas with each other and with other government agencies, independent research organizations, and private foundations, and collaborate with university-based research centers.

OPRE's and ASPE's family self-sufficiency and stability-related research and evaluation projects fall into five broad categories: (1) TANF and the safety net, (2) employment and the labor market, (3) education and training, (4) family strengthening, and (5) cross-cutting research.

Health Profession Opportunity Grants

The Health Profession Opportunity Grants (HPOG) program, administered by the Office of Family Assistance (OFA) within ACF, provides TANF recipients and other eligible low-income individuals with the opportunity to obtain education and training for occupations in the health care field that pay well and are expected to either experience labor shortages or be in high demand. The Patient Protection and Affordable Care Act, Pub. L. 111-148, and the Health Care and Education Reconciliation Act of 2010, Pub. L. 111-152 (collectively known as the Affordable Care Act) authorized the HPOG program when signed into law on March 23, 2010.

In September 2010, OFA awarded approximately $67 million in funding to 32 organizations located across 23 states. Grantees include two community based organizations, four state entities, nine local workforce investment boards, one university, one community college district, ten community colleges, four tribal colleges, and one tribal council.

I. TANF Expenditures

Expenditure Overview

Funding Streams

The Temporary Assistance for Needy Families (TANF) program provides a fixed block grant of about $16.5 billion to states, territories, and Washington, DC (hereafter referred to as "states"). Federally-recognized American Indian Tribes and Alaska Native organizations may elect to operate their own TANF programs, which are described in Chapter XI of this report. The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 created TANF, repealing Aid to Families with Dependent Children (AFDC) and related programs. TANF funds monthly cash assistance payments to low-income families with children, as well as a wide range of services that are "reasonably calculated" to address the program's four broad purposes. These are to:

(1) provide assistance to needy families so that children may be cared for in their own homes or in the homes of relatives;

(2) end the dependence of needy parents on government benefits by promoting job preparation, work, and marriage;

(3) prevent and reduce the incidence of out-of-wedlock pregnancies and establish annual numerical goals for preventing and reducing the incidence of these pregnancies; and

(4) encourage the formation and maintenance of two-parent families.

In order to receive its full federal block grant (the State Family Assistance Grant, or SFAG) each year, a state must meet a Maintenance of Effort (MOE) requirement, which means it must make state expenditures for activities related to TANF purposes in an amount equal to 80 percent of state spending in FY 1994 (or 75 percent if the state meets its work participation rates, which are described in Chapter III of this report). Under policy guidance issued by HHS in 2004 and subsequent regulations, a state also may count allowable costs (including cash or in-kind donations) borne by third parties, such as local governments and non-profits, as part of its MOE spending requirement.

States may spend their MOE funds in three different ways:

- **Commingled** with federal funds and expended **in the state's TANF program**. These expenditures are subject to federal funding restrictions, TANF requirements, and MOE limitations.

- **Segregated** from federal funds, but spent **in the state's TANF program**. These expenditures are subject to many TANF requirements, including the work participation requirements, requirements to assign child support payments to the state, and reporting requirements. However, the federal five-year time limit and certain other federal funding restrictions do not apply.

- In **separate state programs (SSP)**, operated **outside of the state's TANF program.** These expenditures are somewhat more flexible, although they must be consistent with the goals of the TANF statute and other MOE requirements. Families receiving assistance through SSPs are not subject to federal requirements regarding child support assignment, the federal five-year time limit, and various other federal rules. However, the Deficit Reduction Act of 2005 (DRA) that reauthorized the TANF program extended work participation requirements to SSP families with a work-eligible individual, beginning in FY 2007.

Some states also provide assistance through solely-state funded (SSF) programs, which are not funded by either TANF or MOE funds. SSF families are not subject to work participation requirements, and therefore states often create SSF programs to serve families that may have trouble meeting all of the work participation guidelines, such as two-parent families, families with a head-of-household with barriers to employment, and families with a head-of-household working toward a postsecondary degree. ACF does not collect expenditure data for SSF programs.

In addition to the basic block grant available to all states, some states also have historically received funds from the Supplemental Grants and/or the Contingency Fund. Supplemental Grants provide additional TANF funding to states that experienced increases in their populations and/or had low levels of welfare spending per poor person in the mid 1990s. To receive a Supplemental Grant, a state must have met the criteria for population increases or low levels of welfare spending per poor person in FY 1998. Territories and tribes are not eligible. From FY 2002, when the award amounts were fixed, to FY 2010, the same 17 states received a total of $319 million each year. The Supplemental Grants, as with regular TANF block grant funds, can be transferred to the Child Care Development Block Grant (CCDBG) program or the Social Services Block Grant (SSBG) program. The Continuing Appropriations Act of 2011 (P.L. 111-242) and the Claims Resolution Act of 2010 (P.L. 111-291) authorized the grants only through June 30, 2011, at a funding level of $211 million.

The Contingency Fund provides a funding reserve which can be used to assist states that meet certain criteria intended to reflect a poor economy. To be eligible to receive Contingency Funds, a state must meet one of two criteria: (1) the state's average unemployment rate for the most recent 3-month period for which data are available must equal or exceed 6.5 percent and this rate must be at least 10 percent higher than the average unemployment rate for the comparable 3-month period in either or both of the last two calendar years; or (2) the average number of participants in the Supplemental Nutrition Assistance Program (or SNAP, formerly known as food stamps) in the state for the most recent 3-month period for which data are available must exceed by at least 10 percent the average number of food stamp participants in the state in the comparable 3-month period of either FY 1994 or FY 1995. States also must meet higher MOE requirements in order to qualify for Contingency Funds. Contingency Funds can be used for any allowable TANF expenditure and cannot be carried over from year to year. The Continuing Appropriations Act of 2011 (P.L. 111-242) appropriated $506 million for the Contingency Fund in FY 2011 and $612 million for FY 2012. Subsequently, the FY 2011 appropriation was reduced to $334 million as a result of the Claims Resolution Act of 2010 (P.L. 111-291).

Use of Funds

In general, both TANF and MOE funds must be used to further one or more of the four TANF purposes. States also may expend federal TANF funds on previously permitted activities under the AFDC program and allowed to continue under TANF (such as certain expenditures for children involved in foster care or the juvenile justice system). States may reserve unobligated federal funds (except for Contingency Funds) for use in future fiscal years. Furthermore, states may transfer up to a total of 30 percent of their TANF funds to either the CCDBG or the SSBG program, with no more than 10 percent transferred to SSBG.

TANF and MOE funds can be spent on “assistance” and “non-assistance.” “Assistance” includes cash and other benefits designed to meet a family’s ongoing basic needs. The major TANF program requirements (e.g., work requirements, time limits on federal assistance, and data reporting) apply only to families receiving “assistance.” “Non-assistance” benefits are those that do not fall within the definition of assistance, and include expenditures such as child care, transportation, and other work supports provided to employed families, non-recurrent short-term benefits, Individual Development Accounts, refundable Earned Income Tax Credits, work subsidies to employers, and services such as education and training, case management, job search, and counseling.

States have broad flexibility to implement programs that best serve their distinct communities. States can decide on the design of the program, the type and amount of assistance payments, the range of services to be provided, and the rules for determining who is eligible for benefits (e.g., states set their own income definitions for “needy” families and may use different standards for different programs).

Fiscal Year 2011 Financial Data

In FY 2011, states received federal TANF block grants and Supplemental Grants totaling $16.5 billion. In addition, 20 qualifying states received a combined total of about $332 million in FY 2011 Contingency Funds. At the beginning of FY 2011, states reported having $3.96 billion of funds carried over from prior years, which consisted of carry-over block grant funds, Supplemental Grants, and TANF Emergency Contingency Funds.[1] At the end of FY 2011, the amount of unspent funds to carry over to FY 2012 was $2.93 million.

[1] The TANF Emergency Contingency Fund, established by the American Recovery and Reinvestment Act (ARRA), provided up to $5 billion to help states, territories, and tribes that had an increase in basic assistance expenditures, or

Combined federal TANF and state MOE expenditures totaled $30.6 billion in FY 2011. Figure 1-A provides an overview of FY 2011 expenditures from all sources, and Figure 1-B illustrates how states are using their TANF and MOE funds, combining certain expenditure categories that reflect similar activities, e.g., child care spent in the TANF program and TANF funds transferred to the CCDBG.[2]

For definitions of each category, please visit the Program Instruction and the completion instructions for the ACF-196 Form, which is used to report TANF expenditures. These instructions can be found at: http://www.acf.hhs.gov/programs/ofa/resource/tanf-acf-pi-2009-10 and http://www.acf.hhs.gov/node/5134.

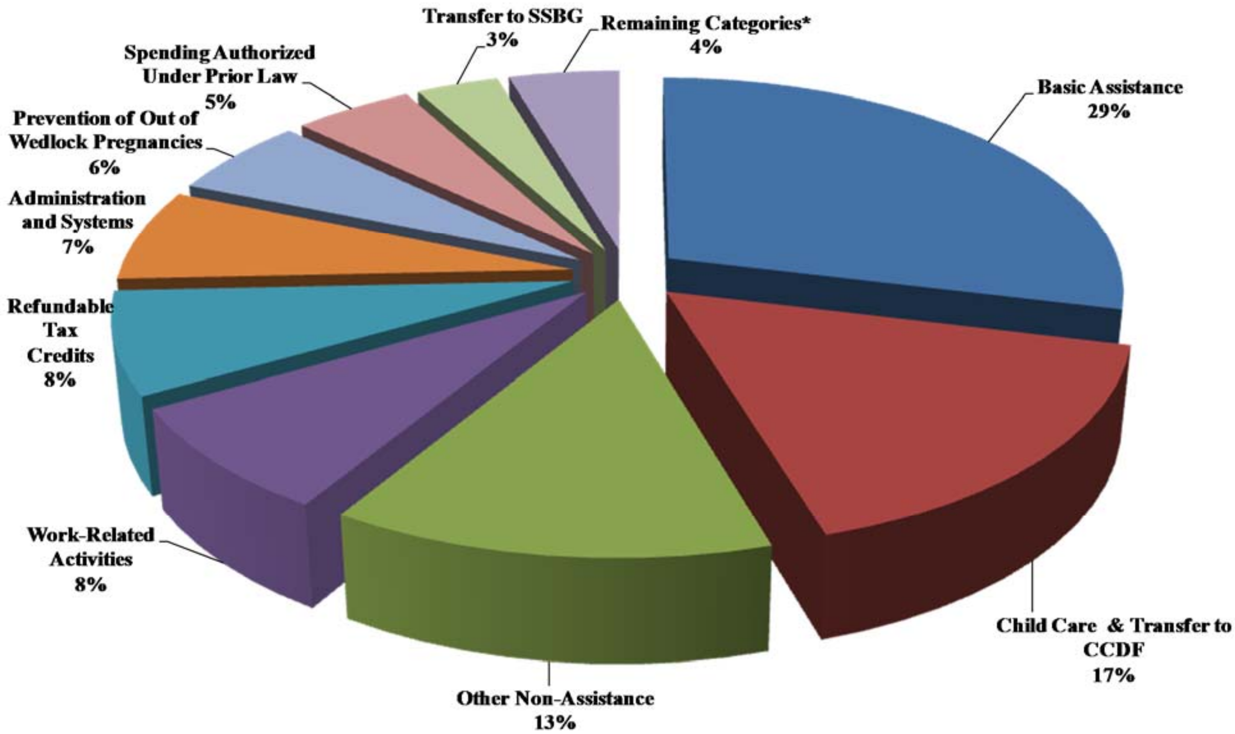
an increase in expenditures related to non-recurrent short-term benefits or subsidized employment in FY 2009 and FY 2010. FY 2011 expenditures include Emergency Contingency Funds awarded in FY 2009 and FY 2010, as these funds are available until expended.

[2] Note that the tables and figures do not include expenditures by tribes and the territories of Puerto Rico, Virgin Islands, and Guam.

Figure 1-A: Federal TANF and State MOE Expenditures and Transfers Summary by Category, FY 2011

Spending Category	Federal Funds	State MOE in TANF and Separate State Programs	All Funds	All Funds Percent of Total Funds Used
TOTAL EXPENDITURES ON ASSISTANCE	*$6,448,705,694*	$4,682,701,982	$11,131,407,676	33.4%
BASIC ASSISTANCE	*$5,254,652,818*	*$4,349,517,973*	$9,604,170,791	28.8%
CHILD CARE	*$268,016,212*	*$282,642,653*	$550,658,865	*1.7%*
TRANSPORTATION AND SUPPORTIVE SERVICES	*$255,879,888*	*$50,541,356*	$306,421,244	*0.9%*
ASSISTANCE UNDER PRIOR LAW	*$670,156,776*		$670,156,776	*2.0%*
TOTAL EXPENDITURES ON NON-ASSISTANCE	$8,734,643,760	$10,758,066,878	$19,492,710,638	58.5%
WORK RELATED ACTIVITIES/ EXPENSES	*$1,927,990,980*	*$720,343,007*	$2,648,333,987	*7.9%*
CHILD CARE	*$1,084,113,242*	*$2,322,993,702*	$3,407,106,944	*10.2%*
TRANSPORTATION	*$156,056,064*	*$31,401,499*	$187,457,563	*0.6%*
INDIVIDUAL DEVELOPMENT ACCOUNTS	*$2,126,290*	*$851,194*	$2,977,484	*0.0%*
REFUNDABLE EITC	*$157,079,151*	*$1,847,939,785*	$2,005,018,936	*6.0%*
OTHER REFUNDABLE TAX CREDITS	*$0*	*$528,810,084*	$528,810,084	*1.6%*
NON-RECURRENT SHORT-TERM BENEFITS	*$331,410,974*	*$390,766,769*	$722,177,743	*2.2%*
PREVENTION OF OUT OF WEDLOCK PREGNANCIES	*$418,507,687*	*$1,543,562,600*	$1,962,070,287	*5.9%*
TWO-PARENT FAMILY FORMATION AND MAINTENANCE	*$267,079,277*	*$32,806,130*	$299,885,407	*0.9%*
ADMINISTRATION	*$1,313,374,517*	*$780,512,072*	$2,093,886,589	*6.3%*
SYSTEMS	*$162,076,546*	*$48,129,036*	$210,205,582	*0.6%*
NON-ASSISTANCE UNDER PRIOR LAW	*$971,928,140*		$971,928,140	*2.9%*
OTHER	*$1,942,900,892*	*$2,509,951,000*	$4,452,851,892	*13.4%*
TOTAL ASSISTANCE AND NON-ASSISTANCE EXPENDITURES	**$15,183,349,454**	**$15,440,768,860**	$30,624,118,314	**91.9%**
TRANSFERRED TO CHILD CARE DEVELOPMENT FUND (CCDF)	$1,564,877,339		$1,564,877,339	4.7%
TRANSFERRED TO SOCIAL SERVICES BLOCK GRANT (SSBG)	$1,135,445,928		$1,135,445,928	3.4%
TOTAL TRANSFERS	**$2,700,323,267**		**$2,700,323,267**	**8.1%**
TOTAL FUNDS USED	**$17,883,672,721**	**$15,440,768,860**	**$33,324,441,581**	**100.0%**
UNLIQUIDATED OBLIGATIONS	**$1,074,584,456**		**$1,074,584,456**	
UNOBLIGATED BALANCE	**$1,854,997,239**		**$1,854,997,239**	

Figure 1-B: TANF and MOE Spending and Transfers by Activity, FY 2011



*Remaining Categories includes non-recurrent short-term benefits, transportation, two-parent family formation, & Individual Development Accounts

In FY 2011, federal TANF expenditures totaled about $15.2 billion, with just under $6.5 billion going towards assistance, and $8.7 billion funding non-assistance activities. By the end of FY 2011, just under $1.9 billion remained unobligated and almost $1.1 billion remained unliquidated, leaving about $2.9 billion in federal TANF funds on hand at year's end.[3]

In FY 2011, states reported MOE expenditures totaling $15.4 billion, of which $1.2 billion was spent through SSPs.

Figure 1-C shows beginning and end-of-year federal TANF balances for each state, while Figure 1-D provides a summary of federal TANF and MOE expenditures (in both TANF and SSPs) by state. These tables, and other FY 2011 financial data, also can be found at: http://www.acf.hhs.gov/programs/ofa/resource/tanf-financial-data-fy-2011.

[3] This includes funds for which ACF will issue negative awards due to downward revisions to the expenditures that qualified a state for TANF Emergency Contingency funds.

Figure 1-C: Summary y o f Federal TAN F Funds, F Y 201 1

STATE	FY 2011 FEDERAL AWARDS (State Family Assistance Grants +Supplemental Grants+Contingency Funds)	CARRYOVER FROM PREVIOUS FISCAL YEARS (State Family Assistance Grant, Emergency Contingency Funds,Supplemental Grants)	TOTAL FEDERAL FUNDS (FY 2011 Federal Awards+Carryover from Previous Fiscal Years)	TRANSFERS (State Family Assistance Grant and Supplemental Grants Only)*		FEDERAL FUNDS AVAILABLE FOR TANF (Total Federal Funds minus Tranfers)	TOTAL FEDERAL EXPENDITURES (Assistance + Non-Assistance)	UNLIQUIDATED OBLIGATIONS	UNOBLIGATED BALANCE
				TRANSFERRED TO CHILD CARE DEVELOPMENT FUND	TRANSFERRED TO SOCIAL SERVICES BLOCK GRANT				
U.S. TOTAL	$16,850,270,008	$3,962,984,408	$20,813,254,416	$1,564,877,339	$1,135,445,928	$18,112,931,149	$15,183,349,454	$1,074,584,456	$1,854,997,239
ALABAMA	$100,653,578	$27,548,125	$128,201,703	$3,000,000	$8,964,633	$116,237,070	$109,737,857	$6,499,213	$0
ALASKA	$49,816,731	$71,719,515	$121,536,246	$9,963,345	$4,981,673	$106,591,228	$28,483,329	$0	$78,107,899
ARIZONA	$225,975,066	$55,224,052	$281,199,118	$0	$21,596,800	$259,602,318	$234,417,720	$0	$25,184,598
ARKANSAS	$63,683,061	$65,995,068	$129,678,129	$250,000	$0	$129,428,129	$69,485,642	$0	$59,942,487
CALIFORNIA	$3,659,389,581	$237,716,668	$3,897,106,249	$0	$340,460,690	$3,556,645,559	$3,457,463,001	$99,182,558	$0
COLORADO	$151,836,102	$56,703,005	$208,539,107	$10,649,849	$16,216,068	$181,673,190	$176,073,168	$0	$5,600,022
CONNECTICUT	$266,788,107	$12,027,758	$278,815,865	$0	$26,678,810	$252,137,055	$245,487,055	$0	$6,650,000
DELAWARE	$33,905,530	$2,728,762	$36,634,292	-$2,293,489	-$3,229,098	$42,156,879	$31,612,277	$0	$10,544,602
DIST.OF COLUMBIA	$97,240,306	$60,088,677	$157,328,983	$0	$3,935,917	$153,393,066	$107,505,423	$3,245,341	$42,642,302
FLORIDA	$602,299,471	$138,801,577	$741,101,048	$118,525,559	$60,229,946	$562,345,543	$427,834,778	$25,040,217	$109,470,548
GEORGIA	$355,405,213	$140,339,070	$495,744,283	$0	$0	$495,744,283	$388,134,240	$69,277,985	$38,332,058
HAWAII	$103,850,027	$21,862,404	$125,712,431	$15,000,000	$9,890,000	$100,822,431	$82,230,727	$11,108,683	$7,483,021
IDAHO	$32,726,579	$20,767,339	$53,493,918	$6,545,316	$3,272,658	$43,675,944	$12,862,685	$30,813,259	$0
ILLINOIS	$585,056,960	$85,583,981	$670,640,941	$0	$7,915,460	$662,725,481	$604,847,837	$0	$57,877,644
INDIANA	$206,799,109	$86,674,424	$293,473,533	$27,158,599	$0	$266,314,934	$135,875,967	$108,773,782	$21,665,185
IOWA	$131,030,394	$29,314,819	$160,345,213	$22,732,687	$12,962,008	$124,650,518	$115,876,723	$3,378,938	$5,394,857
KANSAS	$107,027,614	$22,326,723	$129,354,337	$18,371,365	$10,193,106	$100,789,866	$90,439,375	$0	$10,350,491
KENTUCKY	$181,287,669	$29,994,163	$211,281,832	$13,596,575	$0	$197,685,257	$155,000,922	$34,964,183	$7,720,152
LOUISIANA	$175,235,636	$99,027,653	$274,263,289	$4,406,481	$16,397,199	$253,459,609	$212,368,302	$39,602,871	$1,488,436
MAINE	$78,120,889	$4,604,265	$82,725,154	$0	$0	$82,725,154	$81,396,694	$0	$1,328,460
MARYLAND	$240,552,935	$12,804,554	$253,357,489	$10,285,667	$22,909,803	$220,162,019	$220,162,019	$0	$0
MASSACHUSETTS	$482,339,671	$0	$482,339,671	$91,874,224	$45,937,113	$344,528,334	$344,528,334	$0	$0
MICHIGAN	$814,120,502	$88,796,310	$902,916,812	$0	$77,535,285	$825,381,527	$665,119,842	$0	$160,261,685
MINNESOTA	$263,434,070	$122,128,961	$385,563,031	$44,083,000	$4,790,000	$336,690,031	$200,744,630	$15,250,396	$120,695,005
MISSISSIPPI	$92,744,827	$39,509,858	$132,254,685	$18,548,965	$9,274,483	$104,431,237	$88,117,247	$7,424,666	$8,889,324
MISSOURI	$217,051,740	$26,504,764	$243,556,504	$23,000,000	$21,701,176	$198,855,328	$190,385,828	$4,750,121	$3,719,379
MONTANA	$38,788,416	$50,663,505	$89,451,921	$8,840,374	$1,998,226	$78,613,321	$29,921,743	$450,000	$48,241,578
NEBRASKA	$57,513,601	$65,820,171	$123,333,772	$17,000,000	$0	$106,333,772	$52,858,929	$233,112	$53,241,731
NEVADA	$48,572,689	$18,861,147	$67,433,836	$0	$754,063	$66,679,773	$55,652,188	$0	$11,027,585
NEW HAMPSHIRE	$38,521,261	$11,504,410	$50,025,671	$1,863,063	$936,937	$47,225,671	$40,429,955	$0	$6,795,716
NEW JERSEY	$424,236,565	$52,051,381	$476,287,946	$72,508,565	$16,938,000	$386,841,381	$303,902,545	$60,070,558	$22,868,278
NEW MEXICO	$120,441,991	$19,626,989	$140,068,980	$25,094,538	$0	$114,974,442	$101,440,053	$13,534,389	$0
NEW YORK	$2,565,077,132	$857,900,323	$3,422,977,455	$466,044,900	$192,797,333	$2,764,135,222	$2,245,285,831	$186,460,564	$332,388,827
NORTH CAROLINA	$341,223,346	$286,841,077	$628,064,423	$85,797,329	$10,311,313	$531,955,781	$314,087,897	$214,350,233	$3,517,651
NORTH DAKOTA	$26,399,809	$20,009,310	$46,409,119	$0	$0	$46,409,119	$25,861,453	$4,406,929	$16,140,737
OHIO	$727,968,260	$66,928,931	$794,897,191	$0	$43,260,642	$751,636,549	$718,061,644	$31,915,625	$1,659,280
OKLAHOMA	$145,281,442	$51,227,524	$196,508,966	$29,056,288	$14,528,144	$152,924,534	$112,513,400	$33,658,530	$6,752,604
OREGON	$175,138,560	$0	$175,138,560	$0	$0	$175,138,560	$175,138,560	$0	$0
PENNSYLVANIA	$719,499,305	$232,724,040	$952,223,345	$158,286,000	$30,977,000	$762,960,345	$525,208,208	$49,595,662	$188,156,475
RHODE ISLAND	$95,021,587	$14,393,671	$109,415,258	$11,792,679	$7,557,672	$90,064,907	$75,331,611	$12,812,175	$1,921,121
SOUTH CAROLINA	$104,966,214	$0	$104,966,214	$0	$0	$104,966,214	$104,966,214	$0	$0
SOUTH DAKOTA	$21,279,651	$19,015,902	$40,295,553	$0	$2,127,965	$38,167,588	$22,544,340	$0	$15,623,248
TENNESSEE	$215,365,684	$122,730,743	$338,096,427	$61,736,847	$0	$276,359,580	$215,673,488	$0	$60,686,092
TEXAS	$521,123,819	$216,994,762	$738,118,581	$0	$32,408,086	$705,710,495	$550,059,409	$1,251,066	$154,400,020
UTAH	$81,367,577	$98,468,819	$179,836,396	$0	$2,445,999	$177,390,397	$85,982,970	$3,762,191	$87,645,236
VERMONT	$47,353,181	$0	$47,353,181	$9,224,074	$4,735,318	$33,393,789	$33,380,075	$0	$13,714
VIRGINIA	$158,285,172	$34,161,425	$192,446,597	$14,304,666	$12,648,498	$165,493,433	$146,161,049	$941,911	$18,390,473
WASHINGTON	$399,572,216	$28,868,994	$428,441,210	$105,988,000	$10,702,000	$311,751,210	$309,214,830	$0	$2,536,380
WEST VIRGINIA	$110,176,310	$47,793,566	$157,969,876	$0	$11,017,631	$146,952,245	$137,508,964	$0	$9,443,281
WISCONSIN	$330,224,322	$44,934,349	$375,158,671	$61,641,873	$14,837,318	$298,679,480	$298,679,480	$0	$0
WYOMING	$18,500,530	$42,670,874	$61,171,404	$0	$1,850,053	$59,321,351	$27,292,996	$1,829,298	$30,199,057

*TANF rules do not permit States to transfer reserved (prior-year) funds to either the Social Services Block Grant (SSBG) Program or the Child Care Development Fund (CCDF). Positive amounts for TANF transfers using prior-year Funds may be due to an accounting adjustment or error. States may expend reserved TANF funds only on benefits that specifically meet the definition of "assistance." As a result of the limitation on the use of reserved Federal TANF funds, we advised that States that they must obligate by September 30 of the current fiscal year any funds for expenditures on non-assistance. States must liquidate these obligations by September 30 of the immediately succeeding Federal fiscal year for which the funds were awarded. As a result, any FY 2011 expenditures on nonassistance using TANF funds from FY 2009 or earlier may be due to an accounting adjustment or error. Funds transferred back to the TANF program that were not obligated and liquidated within the program deadlines are reported as negative amounts.

Figure 1-D: Summary of Federal TANF and MOE Expenditures, FY 2011

	Federal TANF			MOE		
STATE	TOTAL ASSISTANCE AND NON-ASSISTANCE EXPENDITURES	ASSISTANCE	NON-ASSISTANCE	TOTAL ASSISTANCE AND NON-ASSISTANCE EXPENDITURES	ASSISTANCE	NON-ASSISTANCE
U.S. TOTAL	$15,183,349,454	$6,448,705,694	$8,734,643,760	$15,440,768,860	$4,682,701,982	$10,758,066,878
ALABAMA	$109,737,857	$55,578,212	$54,159,645	$75,025,160	$4,987,070	$70,038,090
ALASKA	$28,483,329	$11,477,640	$17,005,689	$37,814,867	$35,131,707	$2,683,160
ARIZONA	$234,417,720	$87,963,550	$146,454,170	$124,139,199	$5,441	$124,133,758
ARKANSAS	$69,485,642	$15,706,228	$53,779,414	$117,107,604	$0	$117,107,604
CALIFORNIA	$3,457,463,001	$2,134,346,489	$1,323,116,512	$3,217,214,300	$2,086,658,601	$1,130,555,699
COLORADO	$176,073,168	$78,952,352	$97,120,816	$142,034,449	$3,584,229	$138,450,220
CONNECTICUT	$245,487,055	$4,887,402	$240,599,653	$237,083,101	$93,280,814	$143,802,287
DELAWARE	$31,612,277	$17,059,367	$14,552,910	$47,712,082	$18,163,898	$29,548,184
DIST.OF COLUMBIA	$107,505,423	$23,697,533	$83,807,890	$142,367,333	$53,313,570	$89,053,763
FLORIDA	$427,834,778	$53,888,741	$373,946,037	$406,238,491	$142,309,328	$263,929,163
GEORGIA	$388,134,240	$60,829,721	$327,304,519	$173,368,527	$24,990,754	$148,377,773
HAWAII	$82,230,727	$38,493,318	$43,737,409	$235,107,059	$39,480,658	$195,626,401
IDAHO	$12,862,685	-$310,684	$13,173,369	$13,025,379	$5,045,438	$7,979,941
ILLINOIS	$604,847,837	$72,449,064	$532,398,773	$706,202,810	$38,143,840	$668,058,970
INDIANA	$135,875,967	$71,524,114	$64,351,853	$156,354,268	$0	$156,354,268
IOWA	$115,876,723	$36,338,488	$79,538,235	$79,823,274	$47,495,686	$32,327,588
KANSAS	$90,439,375	$50,330,935	$40,108,440	$122,877,263	$45,228,889	$77,648,374
KENTUCKY	$155,000,922	$104,668,231	$50,332,691	$91,938,927	$56,783,929	$35,154,998
LOUISIANA	$212,368,302	$84,668,911	$127,699,391	$64,244,589	$0	$64,244,589
MAINE	$81,396,694	$57,211,915	$24,184,779	$48,165,755	$41,344,226	$6,821,529
MARYLAND	$220,162,019	$81,203,652	$138,958,367	$234,402,738	$7,265,184	$227,137,554
MASSACHUSETTS	$344,528,334	$9,570,141	$334,958,193	$677,527,226	$327,505,556	$350,021,670
MICHIGAN	$665,119,842	$101,105,652	$564,014,190	$711,509,889	$92,867,719	$618,642,170
MINNESOTA	$200,744,630	$42,081,521	$158,663,109	$233,459,387	$52,828,138	$180,631,249
MISSISSIPPI	$88,117,247	$23,786,122	$64,331,125	$21,724,308	$8,009,503	$13,714,805
MISSOURI	$190,385,828	$34,843,543	$155,542,285	$132,929,242	$56,472,819	$76,456,423
MONTANA	$29,921,743	$18,585,396	$11,336,347	$14,415,922	$1,313,990	$13,101,932
NEBRASKA	$52,858,929	$19,122,747	$33,736,182	$58,787,369	$9,376,027	$49,411,342
NEVADA	$55,652,188	$26,341,092	$29,311,096	$63,225,403	$21,118,595	$42,106,808
NEW HAMPSHIRE	$40,429,955	$25,386,826	$15,043,129	$37,865,410	$18,547,663	$19,317,747
NEW JERSEY	$303,902,545	$159,924,672	$143,977,873	$880,351,980	$140,039,140	$740,312,840
NEW MEXICO	$101,440,053	$80,643,661	$20,796,392	$90,295,966	$284,641	$90,011,325
NEW YORK	$2,245,285,831	$1,353,250,408	$892,035,423	$2,708,919,151	$494,109,590	$2,214,809,561
NORTH CAROLINA	$314,087,897	$75,160,984	$238,926,913	$314,570,006	$0	$314,570,006
NORTH DAKOTA	$25,861,453	$12,209,056	$13,652,397	$9,069,286	$7,897,855	$1,171,431
OHIO	$718,061,644	$301,334,989	$416,726,655	$469,426,142	$138,792,874	$330,633,268
OKLAHOMA	$112,513,400	$34,397,702	$78,115,698	$60,119,714	$33,988,612	$26,131,102
OREGON	$175,138,560	$104,648,310	$70,490,250	$167,450,501	$96,847,839	$70,602,662
PENNSYLVANIA	$525,208,208	$170,676,171	$354,532,037	$417,946,379	$30,937,034	$387,009,345
RHODE ISLAND	$75,331,611	$34,391,609	$40,940,002	$64,564,151	$1,376,232	$63,187,919
SOUTH CAROLINA	$104,966,214	$38,018,317	$66,947,897	$132,522,472	$1,240,194	$131,282,278
SOUTH DAKOTA	$22,544,340	$16,653,548	$5,890,792	$8,540,000	$6,015,753	$2,524,247
TENNESSEE	$215,673,488	$134,223,048	$81,450,440	$145,301,840	$22,066,417	$123,235,423
TEXAS	$550,059,409	$95,994,453	$454,064,956	$260,434,799	$62,866,243	$197,568,556
UTAH	$85,982,970	$36,207,875	$49,775,095	$30,375,498	$4,249,108	$26,126,390
VERMONT	$33,380,075	$4,361,881	$29,018,194	$39,648,039	$20,106,643	$19,541,396
VIRGINIA	$146,161,049	$73,583,576	$72,577,473	$141,465,586	$49,369,483	$92,096,103
WASHINGTON	$309,214,830	$207,792,044	$101,422,786	$754,060,580	$97,948,805	$656,111,775
WEST VIRGINIA	$137,508,964	$44,425,952	$93,083,012	$34,446,446	$29,279,480	$5,166,966
WISCONSIN	$298,679,480	$21,321,972	$277,357,508	$277,887,190	$106,442,831	$171,444,359
WYOMING	$27,292,996	$7,697,247	$19,595,749	$9,681,803	$7,589,936	$2,091,867

TANF Expenditure Trends

Spending patterns have shifted since TANF was enacted, reflecting the decline in assistance caseloads and increased spending on supportive non-assistance services and other "non-assistance" that may not be specifically identified. Figures 1-E and 1-F compare state spending of federal TANF and state MOE funds (in the TANF program or in SSPs) by category over time. In FY 1997, over 70 percent of TANF and MOE funds were used for basic assistance. However, by FY 2011, that figure fell to 29 percent, with nine states reporting that less than 15 percent of their combined TANF and MOE funds were spent on basic assistance.

Figure 1-E: TANF and MOE Spending by Category, Selected Years FY 1997-FY 2011

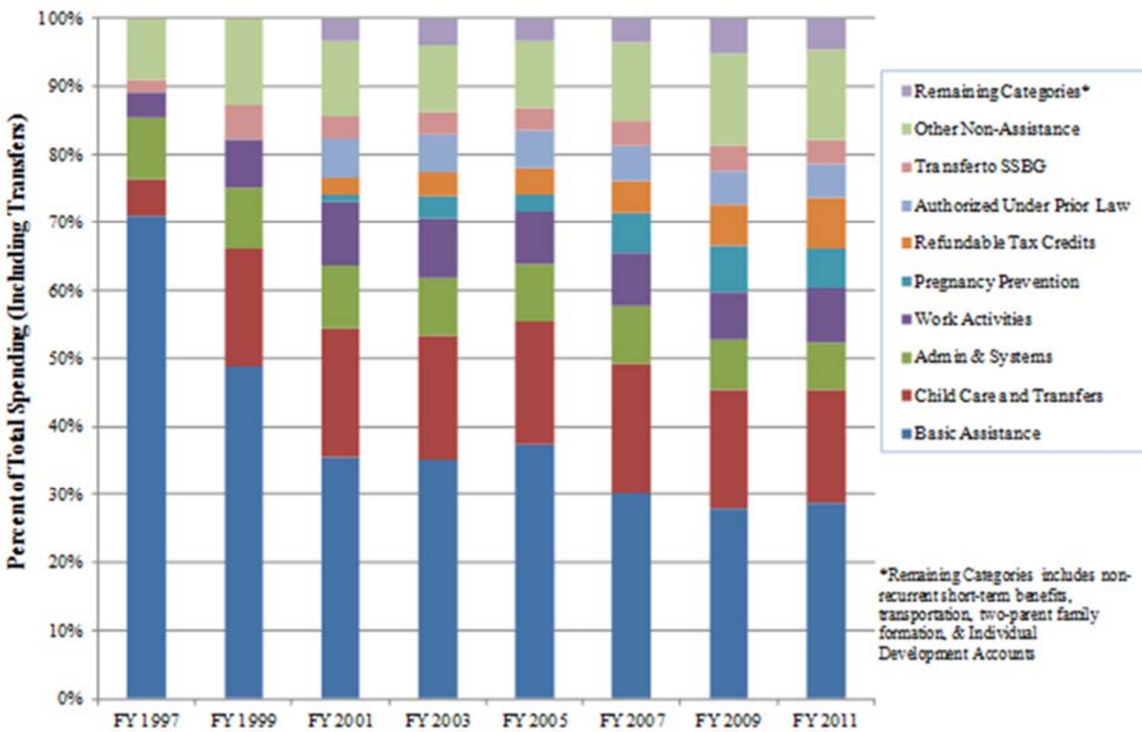
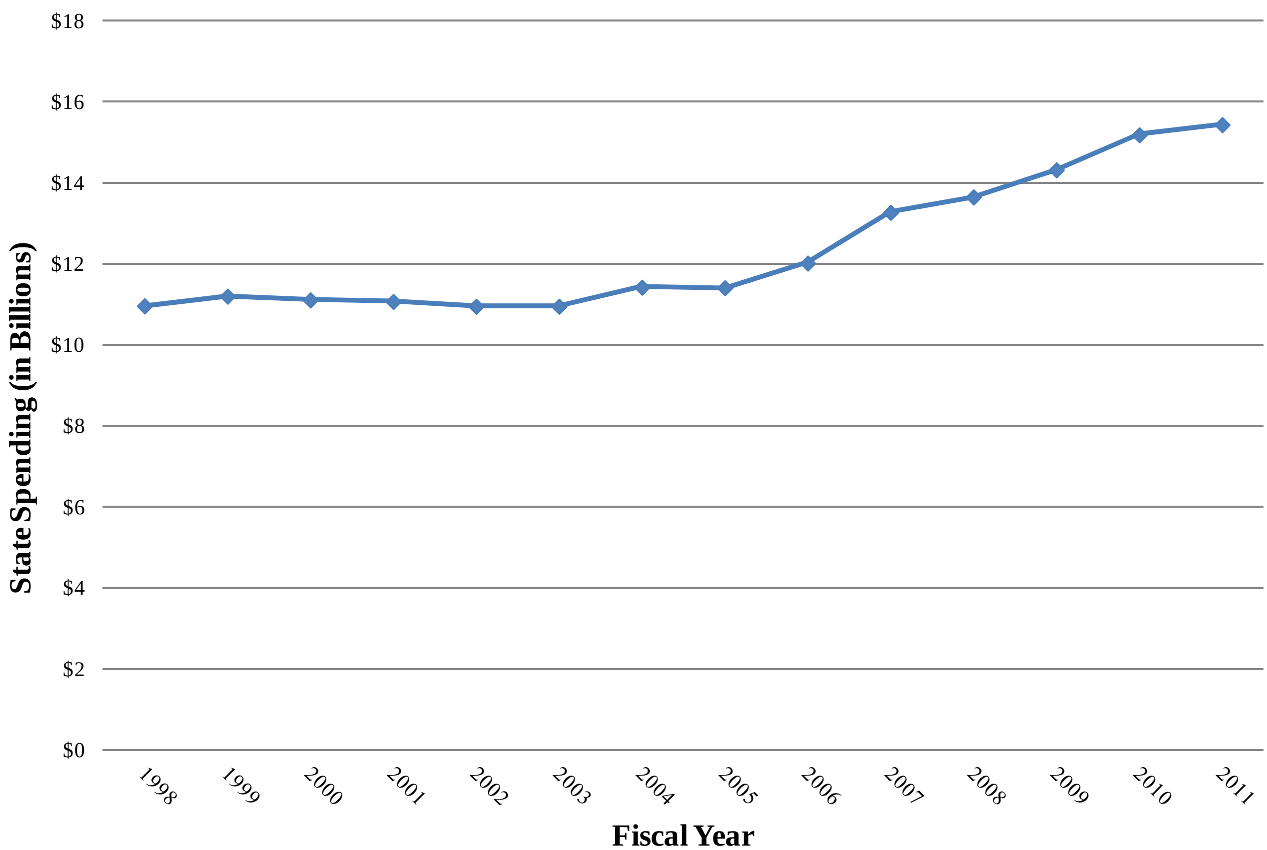


Figure 1-F: TANF and MOE Spending by Category, Selected Years FY 1997-FY 2011

SPENDING CATEGORY	FY 1997	FY 2000	FY 2007	FY 2008	FY 2009	FY 2011
Basic Assistance	$13,901,705,312	$11,180,400,974	$9,115,204,492	$8,648,970,019	$9,323,502,540	$9,604,170,791
Child Care and Transfers	$1,050,302,519	$5,931,703,019	$5,745,051,205	$5,915,210,145	$5,860,592,307	$5,522,643,148
Admin & Systems	$1,790,226,285	$2,602,094,349	$2,508,385,699	$2,577,185,873	$2,482,718,351	$2,304,092,171
Work Activities	$715,511,268	$2,486,030,667	$2,338,496,223	$2,269,965,717	$2,358,803,038	$2,648,333,987
Pregnancy Prevention	$0	$107,505,777	$1,824,243,338	$2,215,340,316	$2,229,495,140	$1,962,070,287
Refundable Tax Credits	$0	$689,047,459	$1,400,056,273	$1,563,966,152	$2,093,888,325	$2,533,829,020
Authorized Under Prior	$0	$1,225,039,126	$1,514,714,813	$1,622,224,543	$1,666,585,417	$1,642,084,916
Transfer to SSBG	$357,599,725	$1,096,283,464	$1,170,291,360	$1,181,211,959	$1,212,271,057	$1,135,445,928
Other Non-Assistance	$1,778,719,845	$1,968,557,990	$3,414,637,957	$3,756,557,341	$4,569,649,071	$4,452,851,892
Remaining Categories	$9,049,314	$988,511,788	$1,089,498,281	$1,239,236,474	$1,719,268,354	$1,518,919,441
TOTAL	$19,603,114,268	$28,275,174,613	$30,120,579,641	$30,989,868,539	$33,516,773,600	$33,324,441,581

Over this same time period, there also has been an increase in reported MOE spending, as demonstrated in Figure 1-G. This growth does not necessarily reflect an increase in state spending on benefits and services targeted to low-income families and children. This is because states can claim existing state spending (such as pre-kindergarten, child care, after school programs, and state child welfare services) and third-party non-governmental expenditures (such as food banks, domestic violence shelters, and Boys and Girls Clubs) as MOE spending as long as the activity furthers a TANF purpose and relates to the TANF-eligible population only.

Figure 1-G: Maintenance of Effort Spending, FY 1997 through FY 2011



States have reasons to increase the amount of MOE they claim. For example, states are allowed to reduce their required work participation rate (WPR) by earning a “caseload reduction credit.” This credit is calculated by accounting for two factors: (1) any decrease in a state’s TANF caseload from its 2005 level, and (2) “excess MOE,” which is the level of state spending in TANF or SSPs above the required amount (see Chapter III of this report for more information). This second factor provides an incentive for states to increase the amount of MOE they claim.

Furthermore, states that qualify for and access the TANF Contingency Fund also face a more stringent MOE requirement. Namely, if a state receives any provisional payments of Contingency Funds during a fiscal year, then it must meet a Contingency Fund MOE requirement that equals 100 percent of the state's share of FY 1994 expenditures in its former

AFDC and JOBS programs.[4] Furthermore, in order to keep any Contingency Funds, a state must spend beyond its required 100 percent Contingency Fund MOE level; specifically, a state may keep only the amount of Contingency Funds that match qualified state expenditures (excluding SSP expenditures and child care expenditures) made in excess of the state's 100 percent Contingency Fund MOE level. In FY 2011, 20 states received Contingency Funds, and were therefore required to meet this heightened MOE requirement.

Claims Resolution Act Financial Data Reporting and Further Insight into State Spending

The Claims Resolution Act of 2010 (CRA) was signed by President Obama on December 8, 2010. The act required additional state reporting concerning two expenditure categories for which there is only limited information reported to ACF – “other non-assistance” and “authorized solely under prior law,” the latter of which may be either “assistance” or “non-assistance.”

“Other non-assistance” involves expenditures that meet a TANF purpose, but do not fall within the definition of “assistance” or any other listed category on the ACF-196 financial reporting form. However, past research on TANF financial data indicates that states sometimes report certain expenditures as “other non-assistance,” even though they could report them in other categories on the ACF-196 form.

Expenditures “authorized solely under prior law” do not meet a TANF purpose, but are allowed pursuant to Section 404(a)(2) of the Social Security Act, which permits states to use TANF funds in any manner that was allowed under the prior Title IV-A (the Aid to Families with Dependent Children Program) or IV-F (Job Opportunities and Basic Skills Training Program) on September 30, 1995, or at state option, August 21, 1996.

Figure 1-H demonstrates the trends in “other non-assistance” and both assistance and non-assistance expenditures “authorized solely under prior law.” Use of TANF funds for “other non-assistance” grew between FY 1997 and FY 2000, but total spending in this category has changed little since that time. Notably, state MOE expenditures for “other non-assistance” more than doubled between FY 2001 and FY 2011, and accounted for 13.4 percent of total funds used (which includes transfers) in FY 2011.

Spending for assistance and non-assistance “authorized solely under prior law” also has grown since it was first reported in FY 1999, when it accounted for less than one percent of total funds used. Since FY 2000, total spending for activities “authorized solely under prior law” has increased until peaking at about $1.8 billion in FY 2002. Expenditures have fluctuated some since then, and were $1.6 billion in FY 2011, or 4.9 percent of total funds used.

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[4] Only qualified state expenditures within the state's TANF program may count toward the state's 100 percent Contingency Fund MOE requirement. Qualified state expenditures in separate state programs (SSP) or any child care expenditures do not count towards this requirement.

Figure 1-H: Total Annual Expenditure Data for U.S. Reporting in the "Other Non-Assistance" and "Authorized Solely Under Prior Law" (ASUPL) Categories

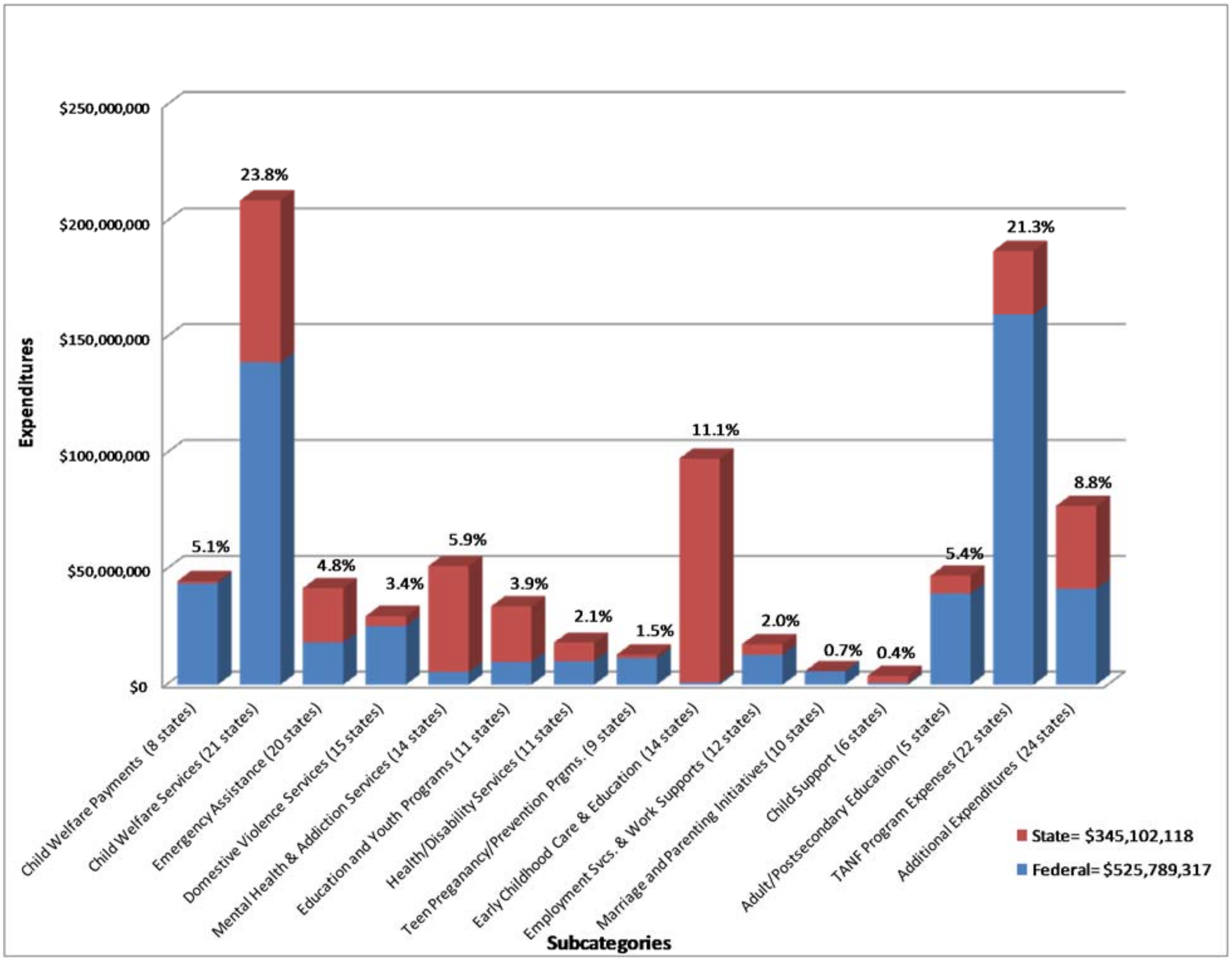
Year	"Other" Non-Assistance Federal	"Other" Non-Assistance MOE	Total "Other" Non-Assistance	Assistance ASUPL (All Federal TANF)	Non-Assistance ASUPL (All Federal TANF)	Total ASUPL	**Total**
1997	$838,088,425	$940,631,420	$1,778,719,845	$0	$0	$0	$1,778,719,845
1998	$1,451,662,579	$1,373,984,825	$2,825,647,404	$0	$0	$0	$2,825,647,404
1999	$1,791,154,357	$1,668,315,530	$3,459,469,887	$28,844,617	$0	$28,844,617	$3,488,314,504
2000	$1,090,607,332	$877,950,658	$1,968,557,990	$900,339,325	$324,699,801	$1,225,039,126	$3,193,597,116
2001	$2,068,830,649	$1,085,291,179	$3,154,121,828	$960,272,045	$665,359,544	$1,625,631,589	$4,779,753,417
2002	$1,743,911,551	$1,018,163,552	$2,762,075,103	$1,022,435,536	$768,881,717	$1,791,317,253	$4,553,392,356
2003	$1,947,499,286	$941,242,525	$2,888,741,811	$801,605,456	$844,918,075	$1,646,523,531	$4,535,265,342
2004	$2,035,405,641	$808,404,549	$2,843,810,190	$817,146,702	$973,776,280	$1,790,922,982	$4,634,733,172
2005	$1,831,754,572	$969,867,473	$2,801,622,045	$592,848,551	$945,359,998	$1,538,208,549	$4,339,830,594
2006	$1,786,988,636	$1,324,736,275	$3,111,724,911	$563,112,172	$749,946,846	$1,313,059,018	$4,424,783,929
2007	$1,936,346,582	$1,478,291,375	$3,414,637,957	$701,019,338	$813,695,475	$1,514,714,813	$4,929,352,770
2008	$1,785,028,480	$1,971,528,861	$3,756,557,341	$519,498,379	$1,102,726,164	$1,622,224,543	$5,378,781,884
2009	$1,936,568,075	$2,633,080,996	$4,569,649,071	$575,016,148	$1,091,569,269	$1,666,585,417	$6,236,234,488
2010	$1,873,584,756	$2,490,178,224	$4,363,762,980	$639,978,251	$1,060,151,464	$1,700,129,715	$6,063,892,695
2011	$1,942,900,892	$2,509,951,000	$4,452,851,892	$670,156,776	$971,928,140	$1,642,084,916	$6,094,936,808

In accordance with the CRA, states were required to submit two reports with these data – one for the month of March 2011 and a second for the months of April, May, and June 2011. The following discussion relates to data reported for the April-June period. The full CRA report for the April-June 2011 period can be found at: http://www.acf.hhs.gov/programs/ofa/resource/cra-june2011html.

"Other Non-assistance" Expenditures, April-June 2011

Nationally, "other non-assistance" expenditures totaled $878,983,444 for April-June 2011. For the entire fiscal year, "other non-assistance" spending would be $3.5 billion on an annual basis if spending across four quarters were four times the spending in April-June (as compared with the $4.5 billion that was actually reported for FY 2011). Forty-five states reported expenditures in "other non-assistance" during the period April-June 2011. Figure 1-I shows total expenditures by subcategory (including the percentage distribution), broken down by funding stream, and also conveys the number of states that reported expenditures in each subcategory. Twenty-one states reported expenditures for child welfare assistance, which represented 23.8% of "other non-assistance" spending and was the largest subcategory. The subcategories reported as the next highest percentages of "other non-assistance" spending were TANF program expenses (21.3% of the total, as reported by 22 states) and early childhood care and education (11.1% of the total, as reported by 14 states).

Figure 1-I: Expenditures for "Other Non-Assistance," April-June 2011



As noted, in a number of cases, expenditures reported as "other" non-assistance could appropriately be reported under other existing reporting categories on the ACF-196 reporting form.

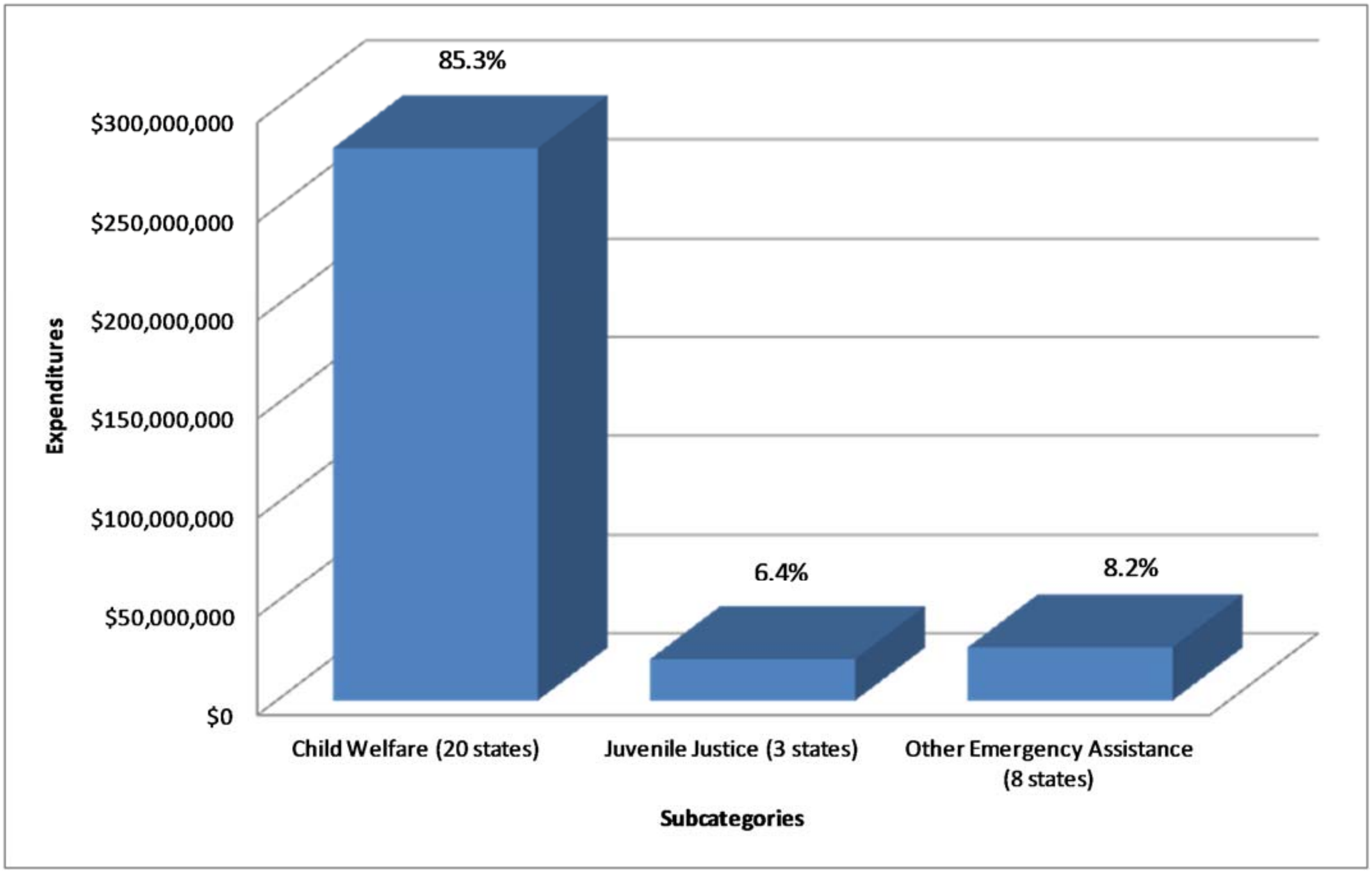
"Authorized Solely Under Prior Law" Expenditures, April-June 2011

Nationally, states spent a total of $327,701,820 for assistance and non-assistance "authorized solely under prior law" for April-June 2011.[5] For the entire fiscal year, spending would be $1.3 billion on an annual basis if spending across four quarters were four times the spending in April-June (as compared with the $1.6 billion that was actually reported for FY 2011). Twenty-five states reported expenditures in assistance and non-assistance "authorized solely under prior law" during the period April-June 2011. Figure 1-J shows total expenditures by subcategory (including the percentage distribution), and also conveys the number of states that reported

[5] There are some caveats to consider in analyzing the financial data presented in the CRA report. While ongoing reporting on the ACF-196 requires states to report obligated expenditures for a quarter and may include adjustments to expenditures reported in past quarters for a particular category, the ACF-196(SUP) required states to report actual expenditures. Some states indicated that it would be difficult to obtain the requested data in the required timeframe, particularly if data had to first be obtained from counties or contractors; as a result, the expenditure data reported as of the September 15, 2011 deadline, may reflect incomplete data for the April-June quarter.

expenditures in each subcategory. Note that while states may expend either federal TANF or state MOE on "other" non-assistance, only federal funding may be expended on programs "authorized solely under prior law."

Figure 1-J: Expenditures for Assistance and Non-Assistance "Authorized Solely Under Prior Law," April-June 2011



<u>HHS Recommendations for Financial Data Reporting</u>

HHS originally established the current categories for financial reporting in FY 1999, and they have not been modified since that time. Based on the analysis of the March and April-June reporting data, HHS committed to developing new reporting categories that break out the activities that states report as "other non-assistance," as well as assistance and non-assistance "authorized solely under prior law". HHS also committed to revising the instructions for completing the ACF-196 reporting form and the definitions for each expenditure, with the aim of eliminating ambiguity in definitions and creating categories that are mutually exclusive. Proposed revisions to the ACF-196 and its instructions were published for public comment on September 12, 2013, and more information about those proposed revisions can be found in TANF-ACF-IM-2013-03: Proposed Revisions to TANF Financial Data Collection.

II. Caseload

In fiscal year (FY) 2011, a monthly average of 1.92 million families, with 4.60 million recipients, received TANF assistance funded either by Federal TANF block grant funds or state maintenance-of-effort (MOE) funds, including assistance funded through separate state programs (SSPs)[6]. Notably, these caseload figures only reflect the number of families receiving "assistance," which is largely comprised of monthly cash assistance payments to families. The TANF program does not authorize HHS to collect caseload information for families receiving benefits and services classified as "non-assistance," such as those participating in work-related activities or programs designed to reduce out-of-wedlock pregnancies, and those receiving refundable tax credits, non-recurrent short-term benefits or child care subsidies (if employed). As discussed in Chapter I of this Report, only 33.4 percent of TANF and MOE funds are used for benefits that meet the definition of assistance. This chapter reviews the national caseload trends and other caseload dynamics.

Caseload Trends

Figure 2-A shows the average monthly number of families receiving Aid to Families with Dependent Children (AFDC) benefits (TANF's predecessor) or TANF/SSP assistance from FY 1960 through FY 2011. Historical caseload data can be found online through the Office of Family Assistance Data & Reports page at: http://www.acf.hhs.gov/programs/ofa/programs/tanf/data-reports.

In FY1994, the assistance caseload reached a high of an average monthly 5.05 million families; six years later, the assistance caseload declined to an average monthly 2.36 million families in FY 2000. This decline has been attributed to a host of events, including economic growth (and the concomitant drop in poverty), welfare reform implementation, and other policies designed to promote work among low-income families with children (such as expansions in the Earned Income Tax Credit and child care subsidies). Throughout this period, there was a dramatic increase in the number of single mothers leaving TANF for work.

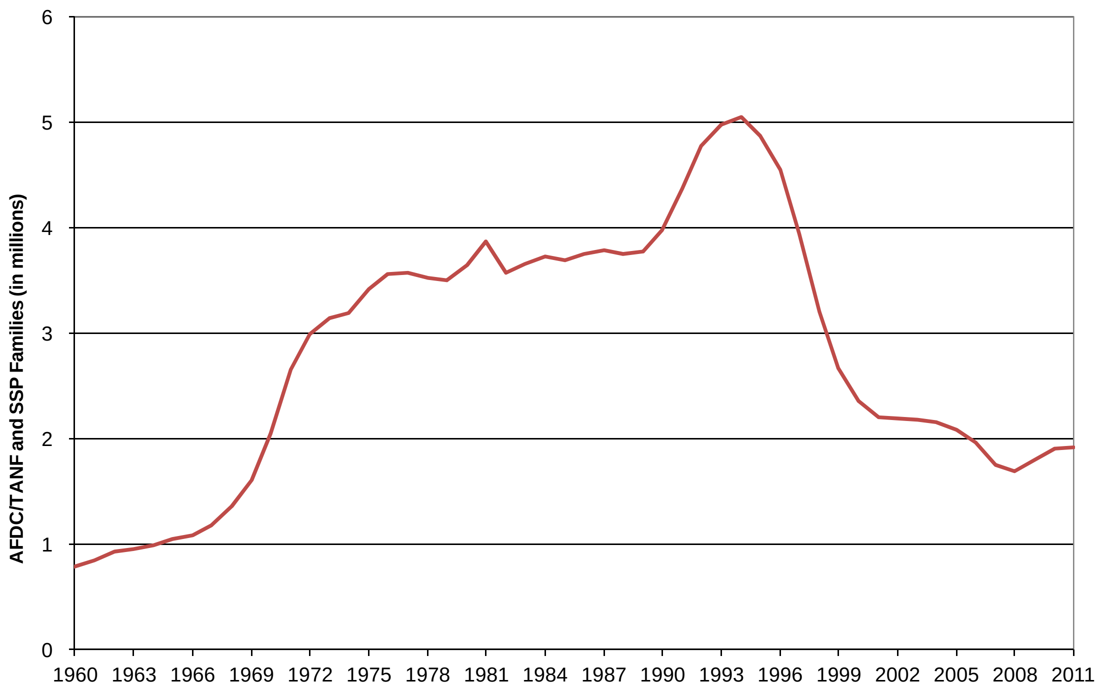
Beginning in FY 2000, the caseload decline slowed, but continued through FY 2008, when it fell to an average monthly 1.69 million families. Following the onset of a recession in December 2007, caseloads began to rise beginning in mid-2008, peaking in December 2010 at 1.95 million families—a 15.4 percent increase over the average monthly number in FY 2008.

As part of the American Recovery and Reinvestment Act of 2009 (ARRA), states received additional funding from the TANF Emergency Contingency Fund for increases in basic

[6] As described in Chapter I of this Report, states may spend MOE funds in separate state programs (SSPs) operated outside of the TANF program. These expenditures are flexible and not subject to some of the general TANF requirements. Prior to the Deficit Reduction Act of 2005, this exception included TANF's work requirements, but since FY 2007, separate state program families with a work eligible individual have been subject to work requirements. SSPs must be consistent with the goals of the TANF statute and other MOE requirements.

assistance caseloads (relative to a base period of either FY 2007 or FY 2008), or in certain types of expenditures, in FY 2009 and FY 2010. This helped some states maintain basic needs payments in the face of the economic downturn.

Figure 2-A: AFDC/TANF and SSP Families, FY 1960 – FY 2011.



FY 2010 and FY 2011 TANF/SSP Caseload

State-level Caseload Data

While the national picture showed an average monthly caseload increase of less than 1 percent from FY 2010 to FY 2011, there was considerable variation in TANF/SSP caseload changes among the states in FY 2011. Figures 2-B and 2-C show the monthly number of families and recipients, respectively, by state for FY 2011, along with the average monthly caseload for the fiscal year and the percent change from the previous fiscal year. The national average monthly number of families receiving assistance increased by 0.6 percent from 1.91 million in FY 2010 to 1.92 million families in FY 2011. The average monthly number of families receiving TANF or SSP-MOE assistance declined in 28 states from FY 2010 to FY 2011 and increased in 26 states over that same time period. Six states had caseload increases greater than 10 percent (Alabama, Illinois, Oregon, Pennsylvania, Puerto Rico, and Wisconsin), while six states and territories had a decline greater than 10 percent (Arizona, Guam, Indiana, North Dakota, Rhode Island, and Virgin Island).

Figure 2-B:TANF&SSP: Total Number of Families

Fiscal Year (FY) 2011 and Percent Change from FY 2010

State	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Average FY 2011	Average FY 2010	Percent Change from FY 2010
U.S. Totals	***1,944,489***	***1,947,288***	***1,952,451***	***1,951,844***	***1,929,643***	***1,922,314***	***1,912,414***	***1,910,551***	***1,910,096***	***1,890,911***	***1,896,006***	***1,886,903***	***1,921,243***	***1,910,680***	***0.6%***
Alabama	23,348	23,954	24,212	24,258	23,584	22,992	22,568	22,511	22,541	22,564	23,169	23,103	23,234	21,221	*9.5%*
Alaska	3,455	3,423	3,572	3,679	3,705	3,743	3,771	3,795	3,803	3,751	3,811	3,780	3,691	3,305	*11.7%*
Arizona	19,595	19,406	19,366	19,061	18,515	18,198	18,390	18,287	17,962	18,144	16,556	16,534	18,335	32,473	*-43.5%*
Arkansas	8,479	8,525	8,632	8,403	8,097	8,114	7,893	7,895	7,925	7,813	7,921	7,884	8,132	8,547	*-4.9%*
California	591,670	593,714	601,286	604,871	605,989	608,644	609,625	610,897	610,459	598,603	595,725	592,836	602,027	576,150	*4.5%*
Colorado	11,881	11,998	8,064	12,043	12,597	12,894	12,967	12,864	12,616	12,419	12,551	10,335	11,936	11,521	*3.6%*
Connecticut	16,965	16,922	16,750	16,782	16,623	16,449	16,485	16,435	16,177	16,084	16,041	15,875	16,466	17,268	*-4.6%*
Delaware	5,820	5,794	5,745	5,679	5,520	5,418	5,377	5,382	5,333	5,381	5,387	5,430	5,522	5,157	*7.1%*
Dist. of Col.	9,881	9,963	9,410	8,930	8,856	8,900	8,535	9,054	8,524	8,636	7,534	7,217	8,787	8,745	*0.5%*
Florida	57,588	57,861	58,144	58,020	57,077	55,671	53,836	52,911	53,440	53,004	52,400	51,243	55,100	58,267	*-5.4%*
Georgia	20,462	20,630	20,686	20,321	20,091	19,717	19,396	19,357	19,416	19,382	19,440	19,614	19,876	20,572	*-3.4%*
Guam	1,301	1,289	1,260	1,289	1,297	1,309	1,291	1,273	1,288	1,295	1,334	1,373	1,300	1,475	*-11.8%*
Hawaii	10,057	10,019	10,240	10,121	10,029	9,982	9,899	9,843	9,874	9,721	9,844	9,953	9,965	9,725	*2.5%*
Idaho	1,806	1,809	1,848	1,857	1,833	1,847	1,879	1,902	1,910	1,903	1,902	1,892	1,866	1,731	*7.8%*
Illinois	25,240	26,014	27,177	27,785	27,817	27,759	28,289	29,186	29,881	30,251	30,810	31,443	28,471	22,188	*28.3%*
Indiana	34,649	33,553	31,461	30,116	30,113	28,526	26,280	25,362	24,655	23,996	23,478	22,330	27,877	36,214	*-23.0%*
Iowa	21,613	21,478	21,037	21,569	21,086	20,781	21,006	20,866	20,553	19,277	20,746	20,221	20,853	21,570	*-3.3%*
Kansas	15,665	15,563	15,647	15,511	15,050	14,870	14,642	14,378	14,225	14,224	14,339	14,249	14,864	14,588	*1.9%*
Kentucky	31,093	31,175	31,336	31,329	30,881	30,772	30,724	30,711	30,704	30,330	30,951	31,035	30,920	30,209	*2.4%*
Louisiana	11,023	11,062	11,117	10,793	10,604	10,346	10,183	10,213	10,325	10,167	10,343	10,408	10,549	10,593	*-0.4%*
Maine	15,430	15,397	15,435	15,635	15,737	15,699	15,684	15,184	15,514	15,495	15,359	15,306	15,490	14,778	*4.8%*
Maryland	25,552	25,347	26,160	25,292	25,205	24,874	25,208	24,989	25,228	25,420	25,242	24,973	25,291	24,543	*3.0%*
Massachusetts	50,903	50,878	51,179	50,557	50,343	50,653	50,102	49,851	50,205	49,917	50,359	50,954	50,492	53,914	*-6.3%*
Michigan	68,316	68,790	67,596	67,825	67,456	65,898	65,080	65,412	64,995	64,724	64,580	63,828	66,208	68,233	*-3.0%*
Minnesota	24,754	24,759	24,726	25,104	24,797	25,205	25,064	24,946	24,652	24,441	24,402	24,553	24,784	23,837	*4.0%*
Mississippi	12,123	12,052	12,078	11,693	11,555	11,352	11,582	11,556	11,555	11,700	11,756	12,070	11,756	12,092	*-2.8%*
Missouri	39,588	39,737	39,617	39,644	39,046	39,084	38,898	38,687	38,813	38,678	39,252	38,852	39,158	38,902	*0.7%*
Montana	3,674	3,650	3,694	3,576	3,438	3,412	3,516	3,502	3,412	3,342	3,332	3,337	3,490	3,752	*-7.0%*
Nebraska	8,534	8,381	8,406	8,347	8,217	8,034	8,022	7,865	7,842	7,736	7,715	7,799	8,075	8,661	*-6.8%*
Nevada	10,718	10,778	11,066	10,997	10,852	10,765	10,739	10,758	10,675	10,616	10,687	10,643	10,775	10,271	*4.9%*
New Hampshire	6,121	6,097	6,168	6,152	6,059	6,079	6,098	6,033	6,013	5,898	5,860	5,873	6,038	6,173	*-2.2%*
New Jersey	34,916	34,996	35,153	35,029	34,629	34,821	34,661	34,672	34,739	34,777	35,077	35,278	34,896	33,471	*4.3%*
New Mexico	21,257	21,447	21,664	21,479	20,570	20,085	19,674	19,446	19,640	19,402	20,017	19,972	20,388	19,797	*3.0%*
New York	156,488	157,247	158,133	157,989	157,670	158,342	158,454	158,548	157,876	156,888	157,178	156,663	157,623	155,530	*1.3%*
North Carolina	23,881	23,879	23,639	23,173	22,840	22,806	22,497	22,421	22,396	22,282	22,445	22,451	22,893	24,471	*-6.5%*
North Dakota	1,977	1,967	1,931	1,874	1,813	1,799	1,802	1,764	1,759	1,743	1,744	1,760	1,828	2,035	*-10.2%*
Ohio	104,541	104,370	103,513	102,526	100,544	99,971	98,283	97,771	96,838	95,351	95,740	94,207	99,471	103,030	*-3.5%*
Oklahoma	9,457	9,380	9,472	9,244	8,938	8,823	8,697	8,632	8,575	8,565	8,776	8,913	8,956	9,420	*-4.9%*
Oregon	32,297	32,548	33,123	33,453	33,785	33,814	33,979	33,777	34,132	32,943	34,399	35,100	33,613	30,207	*11.3%*
Pennsylvania	59,384	59,090	59,034	58,480	57,826	57,759	57,943	58,366	61,357	62,310	63,553	64,021	59,927	51,883	*15.5%*
Puerto Rico	13,530	13,953	14,621	15,120	15,096	15,397	15,840	15,534	15,836	15,772	15,894	16,202	15,233	13,304	*14.5%*
Rhode Island	6,672	6,648	6,778	6,600	6,464	6,410	6,436	6,435	6,462	6,428	6,527	6,708	6,547	7,445	*-12.1%*
South Carolina	19,693	19,371	19,038	18,474	17,711	17,244	17,078	16,976	16,973	17,011	17,064	17,154	17,816	18,481	*-3.6%*
South Dakota	3,283	3,247	3,290	3,202	3,182	3,211	3,211	3,287	3,337	3,251	3,270	3,300	3,256	3,231	*0.8%*
Tennessee	63,017	63,925	63,150	63,099	62,204	61,666	61,292	62,162	61,531	61,135	61,874	61,018	62,173	62,253	*-0.1%*
Texas	52,797	52,970	52,972	51,077	48,409	47,643	47,273	47,436	47,124	48,426	49,680	49,836	49,637	50,618	*-1.9%*
Utah	7,116	7,097	6,811	6,427	6,049	5,885	5,833	5,930	5,736	5,728	5,694	5,527	6,153	6,817	*-9.7%*
Vermont	3,230	3,264	3,335	3,298	3,322	3,296	3,333	3,306	3,326	3,310	3,299	3,341	3,305	3,163	*4.5%*
Virgin Islands	523	526	511	477	456	443	447	433	427	432	428	427	461	519	*-11.2%*
Virginia	37,560	37,478	37,105	36,879	36,213	35,892	35,016	34,920	35,135	35,138	35,164	35,252	35,979	37,163	*-3.2%*
Washington	69,831	67,762	69,805	70,134	63,580	62,392	61,139	59,561	58,863	57,601	57,330	56,983	62,915	69,125	*-9.0%*
West Virginia	10,613	10,747	10,676	10,653	10,411	10,343	10,213	10,276	10,085	10,033	10,221	10,245	10,376	9,737	*6.6%*
Wisconsin	24,817	25,056	25,270	25,621	25,550	25,961	25,966	26,673	27,105	27,162	27,481	27,290	26,163	21,982	*19.0%*
Wyoming	305	302	312	297	312	324	318	320	329	311	325	312	314	327	*-4.0%*

As of 04/03/2012

Figure 2-C: TANF&SSP: Total Number of Recipients

Fiscal Year (FY) 2011 and Percent Change from FY 2010

State	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Average FY 2011	Average FY 2010	Percent Change from FY 2010
U.S. Totals	***4,678,971***	***4,684,247***	***4,697,310***	***4,693,146***	***4,621,802***	***4,597,827***	***4,567,804***	***4,566,251***	***4,566,179***	***4,505,089***	***4,520,980***	***4,498,544***	***4,599,846***	***4,572,728***	***0.6%***
Alabama	57,403	58,953	59,569	59,419	57,298	55,619	54,298	53,998	54,440	54,580	56,270	56,091	56,495	51,205	10.3%
Alaska	9,326	9,236	9,767	10,073	10,144	10,252	10,321	10,386	10,458	10,103	10,269	10,199	10,045	9,006	11.5%
Arizona	44,530	44,097	44,103	43,062	41,729	41,026	40,593	41,199	40,635	40,951	37,349	37,463	41,395	70,222	-41.1%
Arkansas	19,284	19,420	19,724	19,140	18,263	18,317	17,805	17,809	17,897	17,693	17,961	17,933	18,437	19,488	-5.4%
California	1,458,615	1,463,645	1,480,216	1,489,541	1,489,460	1,493,754	1,495,772	1,500,479	1,498,943	1,452,067	1,441,510	1,435,073	1,474,923	1,415,960	4.2%
Colorado	30,632	31,076	21,364	31,103	32,523	33,075	33,180	32,979	32,336	31,674	31,908	26,171	30,668	29,367	4.4%
Connecticut	33,537	33,474	33,360	33,073	32,645	32,488	32,264	32,174	31,843	31,501	31,413	31,348	32,427	34,413	-5.8%
Delaware	16,585	16,478	16,409	16,208	15,698	15,396	15,305	15,301	15,142	15,259	15,242	15,327	15,696	14,725	6.6%
Dist. of Col.	27,274	27,377	26,089	24,907	24,732	24,897	23,921	25,239	23,907	24,191	20,445	19,511	24,374	19,785	23.2%
Florida	105,816	106,419	107,027	106,654	104,381	100,060	95,198	93,171	94,270	93,143	91,856	88,249	98,854	107,023	-7.6%
Georgia	38,271	38,842	39,122	38,238	37,514	36,464	35,769	35,847	36,109	36,311	36,530	37,394	37,201	37,958	-2.0%
Guam	3,093	3,056	2,994	3,070	3,072	3,086	3,079	3,075	3,114	3,160	3,255	3,352	3,117	3,482	-10.5%
Hawaii	29,869	29,792	30,483	30,177	29,873	29,604	29,304	29,156	29,374	29,283	29,692	30,018	29,719	28,394	4.7%
Idaho	2,736	2,751	2,862	2,847	2,799	2,821	2,881	2,902	2,922	2,918	2,891	2,868	2,850	2,625	8.6%
Illinois	72,608	75,218	78,766	80,861	81,072	80,650	82,356	85,026	87,096	88,776	90,803	92,914	83,012	62,009	33.9%
Indiana	84,666	81,740	75,880	72,437	72,300	67,936	61,958	59,486	57,404	55,746	54,588	51,506	66,304	89,488	-25.9%
Iowa	55,661	55,344	54,299	55,779	54,248	53,652	54,076	53,636	52,983	49,236	53,667	52,201	53,732	55,663	-3.5%
Kansas	40,632	40,288	40,454	40,189	38,929	38,354	37,690	37,024	36,702	36,850	37,217	37,088	38,451	37,588	2.3%
Kentucky	63,755	63,963	64,352	64,188	62,872	62,566	62,495	62,435	62,346	61,500	63,125	63,280	63,073	61,278	2.9%
Louisiana	25,162	25,228	25,427	24,524	23,995	23,213	22,788	22,972	23,474	23,234	23,765	24,012	23,983	23,707	1.2%
Maine	39,996	39,913	39,941	40,516	40,842	40,677	40,498	39,405	39,972	39,922	39,496	39,406	40,049	38,206	4.8%
Maryland	62,230	61,635	63,973	61,658	61,173	60,034	61,086	60,803	61,624	62,092	61,976	60,931	61,601	59,151	4.1%
Massachusetts	99,757	100,032	100,509	98,730	98,360	99,657	98,343	97,484	99,378	98,754	99,497	100,970	99,289	111,160	-10.7%
Michigan	178,562	179,985	177,079	177,489	176,387	172,111	170,031	170,845	169,565	168,455	168,494	166,655	172,972	179,449	-3.6%
Minnesota	54,454	54,400	54,213	55,111	54,301	55,255	54,919	54,401	53,707	53,216	53,220	53,577	54,231	51,863	4.6%
Mississippi	25,735	25,495	25,555	24,582	24,266	23,765	24,402	24,366	24,434	24,941	24,977	25,857	24,865	25,534	-2.6%
Missouri	95,578	95,992	95,763	95,871	94,073	94,149	93,534	93,060	93,424	93,098	94,670	93,603	94,401	93,861	0.6%
Montana	9,232	9,139	9,354	8,999	8,499	8,393	8,717	8,714	8,482	8,351	8,276	8,318	8,706	9,519	-8.5%
Nebraska	21,151	20,680	20,775	20,587	20,080	19,588	19,620	19,151	19,099	18,837	18,891	19,078	19,795	21,355	-7.3%
Nevada	27,732	27,823	28,559	28,375	27,864	27,554	27,481	27,553	27,337	27,150	27,384	27,283	27,675	26,494	4.5%
New Hampshire	13,202	13,136	13,300	13,206	12,937	12,983	13,051	12,836	12,737	12,515	12,476	12,455	12,903	13,358	-3.4%
New Jersey	83,606	83,787	84,074	83,978	83,030	83,463	83,084	83,314	83,426	83,644	84,452	85,178	83,753	79,370	5.5%
New Mexico	55,896	56,566	57,085	55,334	52,744	50,936	49,823	49,213	49,556	49,011	51,803	50,770	52,395	52,150	0.5%
New York	391,893	392,641	396,204	396,705	395,379	397,855	397,224	397,648	395,168	393,534	394,488	394,162	395,242	388,226	1.8%
North Carolina	46,070	46,026	45,323	44,257	43,241	43,326	42,861	42,789	42,837	43,009	43,651	43,681	43,923	47,120	-6.8%
North Dakota	5,035	4,984	4,944	4,788	4,615	4,619	4,554	4,461	4,427	4,430	4,393	4,456	4,642	5,207	-10.8%
Ohio	241,045	240,479	238,143	235,103	228,866	226,760	221,622	219,616	217,153	213,039	214,005	209,593	225,452	237,312	-5.0%
Oklahoma	21,429	21,328	21,616	20,979	20,127	19,765	19,472	19,343	19,324	19,300	19,786	20,131	20,217	21,235	-4.8%
Oregon	84,661	85,401	87,024	87,927	87,892	89,045	89,682	88,861	89,829	88,690	92,900	94,929	88,903	78,249	13.6%
Pennsylvania	145,074	144,375	144,067	142,709	140,628	140,123	140,812	141,649	149,184	151,890	155,209	155,998	145,977	125,925	15.9%
Puerto Rico	36,599	37,865	39,764	41,159	41,079	41,805	43,018	42,038	42,811	42,641	43,036	43,850	41,305	36,421	13.4%
Rhode Island	15,668	15,568	15,950	15,635	15,199	15,097	15,188	15,223	15,284	15,264	15,594	16,008	15,473	17,473	-11.4%
South Carolina	46,932	46,143	45,275	43,615	41,462	40,253	39,916	39,660	39,815	39,969	40,350	40,538	41,994	43,377	-3.2%
South Dakota	6,908	6,815	6,876	6,661	6,581	6,642	6,683	6,888	7,031	6,863	6,896	6,918	6,814	6,731	1.2%
Tennessee	162,245	164,491	162,183	161,729	158,788	156,757	155,640	158,164	156,345	155,028	157,063	154,478	158,576	160,828	-1.4%
Texas	121,650	121,396	121,938	116,475	109,157	107,205	105,712	106,421	105,825	109,678	113,507	114,359	112,777	115,349	-2.2%
Utah	18,582	18,595	17,871	16,831	15,725	15,239	14,964	15,223	14,751	14,858	14,729	14,175	15,962	19,106	-16.5%
Vermont	7,476	7,578	7,767	7,731	7,738	7,609	7,710	7,674	7,710	7,653	7,624	7,717	7,666	7,155	7.1%
Virgin Islands	1,511	1,542	1,489	1,392	1,338	1,296	1,285	1,242	1,197	1,222	1,170	1,222	1,326	1,496	-11.4%
Virginia	84,272	84,051	82,885	82,369	80,523	79,472	76,567	76,251	76,718	76,614	76,653	76,792	79,431	83,547	-4.9%
Washington	171,369	164,876	169,887	170,599	149,681	146,655	142,987	139,278	137,344	133,896	133,491	132,877	149,412	169,967	-12.1%
West Virginia	24,163	24,564	24,422	24,261	23,722	23,399	23,199	23,271	23,023	22,795	23,366	23,522	23,642	21,808	8.4%
Wisconsin	59,185	59,944	60,611	61,700	61,327	62,451	62,435	64,487	65,638	65,962	67,081	66,480	63,108	50,676	24.5%
Wyoming	618	605	624	595	631	659	631	625	629	592	620	579	617	667	-7.4%

As of 04/03/2012

Figure 2-D:TANF&SSP: Total Number of Families

Fiscal Years 2000 - 2011

State	Average FY 2000	Average FY 2001	Average FY 2002	Average FY 2003	Average FY 2004	Average FY 2005	Average FY 2006	Average FY 2007	Average FY 2008	Average FY 2009	Average FY 2010	Average FY 2011
U.S. Totals	***2,355,580***	***2,199,560***	***2,194,738***	***2,181,227***	***2,160,701***	***2,089,795***	***1,961,310***	***1,753,891***	***1,692,872***	***1,795,775***	***1,910,680***	***1,921,243***
Alabama	19,255	18,547	18,244	19,093	19,369	20,296	19,414	18,458	17,736	18,442	21,221	23,234
Alaska	7,347	5,847	6,034	5,334	4,926	4,381	3,614	3,248	3,058	3,033	3,305	3,691
Arizona	33,723	33,194	40,097	47,792	49,559	43,338	39,369	36,247	36,249	37,860	32,473	18,335
Arkansas	12,354	11,607	12,004	11,162	10,023	8,642	8,204	8,598	8,513	8,463	8,547	8,132
California	560,710	520,986	512,889	495,378	500,816	506,504	488,493	471,955	486,066	532,907	576,150	602,027
Colorado	11,154	10,639	12,086	13,534	14,623	15,268	14,468	10,979	8,816	9,275	11,521	11,936
Connecticut	29,661	27,668	25,477	24,484	24,928	24,088	22,417	20,901	19,091	16,722	17,268	16,466
Delaware	6,165	5,484	5,584	5,734	5,769	5,734	5,609	4,116	4,023	4,511	5,157	5,522
Dist. of Col.	17,568	16,394	16,476	16,961	17,489	17,254	16,175	6,179	5,375	7,956	8,745	8,787
Florida	69,271	60,595	61,094	60,013	59,252	61,208	53,348	47,843	48,702	55,090	58,267	55,100
Georgia	52,928	50,531	54,237	56,572	53,739	41,955	31,867	24,861	22,115	21,091	20,572	19,876
Guam	2,743	2,807	3,072	3,072	3,072	3,072	975	930	-	1,376	1,475	1,300
Hawaii	20,841	18,457	15,850	13,631	12,247	10,912	9,432	6,349	6,430	8,457	9,725	9,965
Idaho	1,275	1,290	1,369	1,681	1,848	1,860	1,818	1,619	1,492	1,592	1,731	1,866
Illinois	84,827	62,824	48,761	38,373	36,287	39,269	37,184	30,502	19,846	19,611	22,188	28,471
Indiana	36,830	42,900	51,802	56,018	53,755	46,198	44,596	41,488	31,240	39,989	36,214	27,877
Iowa	21,087	21,332	21,696	22,061	22,382	21,923	21,083	20,061	19,056	19,721	21,570	20,853
Kansas	12,585	13,035	13,958	15,300	16,747	17,622	17,232	14,746	12,496	13,122	14,588	14,864
Kentucky	38,542	36,127	34,904	34,923	35,629	34,701	33,092	30,061	29,144	29,473	30,209	30,920
Louisiana	27,820	25,176	23,700	22,834	18,777	16,103	11,915	10,988	10,464	10,201	10,593	10,549
Maine	12,543	11,266	11,386	10,669	11,096	11,482	11,216	12,581	12,308	13,516	14,778	15,490
Maryland	30,915	29,581	29,258	28,983	29,266	26,824	24,068	19,548	19,994	22,440	24,543	25,291
Massachusetts	44,245	42,662	47,355	49,460	49,868	48,936	47,895	45,068	56,538	61,899	53,914	50,492
Michigan	74,231	70,725	74,338	75,111	79,432	80,590	82,953	73,219	66,554	62,230	68,233	66,208
Minnesota	39,040	38,558	39,745	41,633	38,950	32,265	30,512	26,528	23,057	21,772	23,837	24,784
Mississippi	14,970	15,657	17,607	19,823	18,795	16,060	13,417	11,603	11,268	11,322	12,092	11,756
Missouri	49,223	49,718	49,142	46,913	47,750	46,472	44,135	39,597	37,607	37,877	38,902	39,158
Montana	4,555	4,934	5,828	6,169	5,256	4,614	3,812	3,192	3,122	3,446	3,752	3,490
Nebraska	10,368	10,313	11,333	12,036	12,324	12,347	12,822	7,638	7,548	8,234	8,661	8,075
Nevada	6,274	7,439	11,964	11,440	9,471	7,933	7,028	6,706	7,194	8,333	10,271	10,775
New Hampshire	5,841	5,659	6,055	6,244	6,193	6,302	6,257	5,151	4,463	5,612	6,173	6,038
New Jersey	53,455	46,937	43,666	44,067	46,620	45,073	42,786	35,063	33,468	32,548	33,471	34,896
New Mexico	23,655	19,322	17,015	16,638	17,590	17,566	16,895	14,074	12,983	16,099	19,797	20,388
New York	258,702	226,921	204,362	196,092	197,119	190,748	177,966	159,826	153,817	151,090	155,530	157,623
North Carolina	45,744	43,569	42,896	40,432	37,651	33,773	30,172	25,882	24,124	25,680	24,471	22,893
North Dakota	2,901	2,999	3,232	3,376	3,064	2,856	2,686	2,087	2,023	2,161	2,035	1,828
Ohio	97,969	85,005	84,031	84,292	84,574	82,597	79,485	78,373	80,796	90,057	103,030	99,471
Oklahoma	14,365	13,934	14,801	15,049	14,199	12,073	10,208	9,368	8,529	8,745	9,420	8,956
Oregon	17,058	16,270	17,946	18,708	18,525	19,488	18,524	18,583	20,551	25,096	30,207	33,613
Pennsylvania	89,899	82,644	80,587	80,857	88,128	96,635	94,696	63,965	52,102	48,030	51,883	59,927
Puerto Rico	31,812	26,212	23,363	18,929	17,493	15,146	14,325	13,682	11,978	12,178	13,304	15,233
Rhode Island	17,526	16,390	15,648	14,866	14,393	13,217	12,271	8,423	8,231	8,495	7,445	6,547
South Carolina	17,502	18,643	21,545	21,589	19,265	18,403	18,099	15,528	14,933	17,085	18,481	17,816
South Dakota	2,802	2,713	2,851	2,791	2,745	2,771	2,823	2,880	2,848	2,976	3,231	3,256
Tennessee	56,711	60,121	64,038	69,911	73,464	71,915	69,376	62,331	53,831	58,936	62,253	62,173
Texas	127,880	130,893	136,543	139,838	109,377	89,631	72,738	62,648	53,536	48,050	50,618	49,637
Utah	8,523	7,554	7,811	8,582	9,081	9,073	7,492	5,242	5,025	6,158	6,817	6,153
Vermont	6,043	5,549	5,414	5,279	5,255	4,956	4,769	4,459	3,620	2,987	3,163	3,305
Virgin Islands	936	724	615	473	538	476	434	433	409	469	519	461
Virginia	32,555	30,002	30,935	32,240	35,816	36,686	34,975	31,664	31,141	33,666	37,163	35,979
Washington	60,473	57,621	58,396	57,704	57,446	58,649	56,085	50,946	52,759	61,740	69,125	62,915
West Virginia	12,146	14,732	15,855	15,822	15,499	12,880	11,495	9,833	8,681	9,192	9,737	10,376
Wisconsin	17,431	18,329	19,386	20,847	22,867	20,721	18,286	17,370	17,656	18,471	21,982	26,163
Wyoming	604	527	460	414	355	316	307	269	266	292	327	314

Proportion of Adults and Children on the Caseload

In FY 2011, 25.3% (1.16 million) of TANF/SSP recipients were adults and 74.7% (3.44 million) were children. Over time, a growing proportion of TANF cases are considered "child-only." These are cases in which no adult is included in the assistance unit; only the child receives assistance. Characteristics of child-only cases are discussed in Chapter X of this report.

Figure 2-E

TANF & SSP Average Monthly Number of Adults and Children, FY 2011

	Total Recipients	Adults	Children	Percentage Adults	Percentage Children
U.S. Totals	***4,599,846***	***1,164,628***	***3,435,218***	***25.3%***	***74.7%***
Alabama	56,495	14,894	41,601	26.4%	73.6%
Alaska	10,045	3,207	6,837	31.9%	68.1%
Arizona	41,395	11,574	29,821	28.0%	72.0%
Arkansas	18,437	5,306	13,132	28.8%	71.2%
California	1,474,923	329,623	1,145,300	22.3%	77.7%
Colorado	30,668	8,027	22,642	26.2%	73.8%
Connecticut	32,427	9,586	22,841	29.6%	70.4%
Delaware	15,696	5,996	9,700	38.2%	61.8%
Dist. of Col.	24,374	5,906	18,468	24.2%	75.8%
Florida	98,854	18,409	80,445	18.6%	81.4%
Georgia	37,201	3,783	33,418	10.2%	89.8%
Guam	3,117	808	2,309	25.9%	74.1%
Hawaii	29,719	9,804	19,915	33.0%	67.0%
Idaho	2,850	216	2,633	7.6%	92.4%
Illinois	83,012	13,884	69,129	16.7%	83.3%
Indiana	66,304	15,825	50,479	23.9%	76.1%
Iowa	53,732	17,144	36,588	31.9%	68.1%
Kansas	38,451	12,541	25,910	32.6%	67.4%
Kentucky	63,073	13,556	49,517	21.5%	78.5%
Louisiana	23,983	3,754	20,229	15.7%	84.3%
Maine	40,049	13,919	26,129	34.8%	65.2%
Maryland	61,601	17,119	44,482	27.8%	72.2%
Massachusetts	99,289	33,188	66,101	33.4%	66.6%
Michigan	172,972	49,016	123,955	28.3%	71.7%
Minnesota	54,231	13,588	40,643	25.1%	74.9%
Mississippi	24,865	6,741	18,123	27.1%	72.9%
Missouri	94,401	30,140	64,262	31.9%	68.1%
Montana	8,706	2,555	6,152	29.3%	70.7%
Nebraska	19,795	4,234	15,561	21.4%	78.6%
Nevada	27,675	7,121	20,554	25.7%	74.3%
New Hampshire	12,903	3,681	9,222	28.5%	71.5%
New Jersey	83,753	25,332	58,421	30.2%	69.8%
New Mexico	52,395	14,895	37,499	28.4%	71.6%
New York	395,242	109,661	285,581	27.7%	72.3%
North Carolina	43,923	6,833	37,090	15.6%	84.4%
North Dakota	4,642	1,136	3,506	24.5%	75.5%
Ohio	225,452	61,756	163,696	27.4%	72.6%
Oklahoma	20,217	3,760	16,457	18.6%	81.4%
Oregon	88,903	28,957	59,947	32.6%	67.4%
Pennsylvania	145,977	38,425	107,551	26.3%	73.7%
Puerto Rico	41,305	13,860	27,445	33.6%	66.4%
Rhode Island	15,473	4,817	10,657	31.1%	68.9%
South Carolina	41,994	10,451	31,544	24.9%	75.1%
South Dakota	6,814	1,076	5,737	15.8%	84.2%
Tennessee	158,576	44,463	114,113	28.0%	72.0%
Texas	112,777	15,878	96,899	14.1%	85.9%
Utah	15,962	4,725	11,237	29.6%	70.4%
Vermont	7,666	2,365	5,301	30.9%	69.1%
Virgin Islands	1,326	369	956	27.8%	72.2%
Virginia	79,431	22,922	56,509	28.9%	71.1%
Washington	149,412	45,459	103,952	30.4%	69.6%
West Virginia	23,642	6,778	16,864	28.7%	71.3%
Wisconsin	63,108	15,467	47,641	24.5%	75.5%
Wyoming	617	99	519	16.0%	84.0%

Participation of Eligible Families

While many see TANF's caseload decline as a measure of the success of welfare reform, the sharp decline in participation among eligible families also raises concerns about its effectiveness as a safety net program. HHS uses an Urban Institute model to estimate the percentage of families eligible for assistance under state rules that are actually receiving TANF assistance[7]. As shown in Figure 2-E, and Appendix Table 2:3, this participation rate data shows that the share of eligible families receiving TANF declined from 84 percent in 1995 to 32 percent in 2009.

Figure 2-E: Participation of Eligible Families in AFDC/TANF, 1994 - 2009

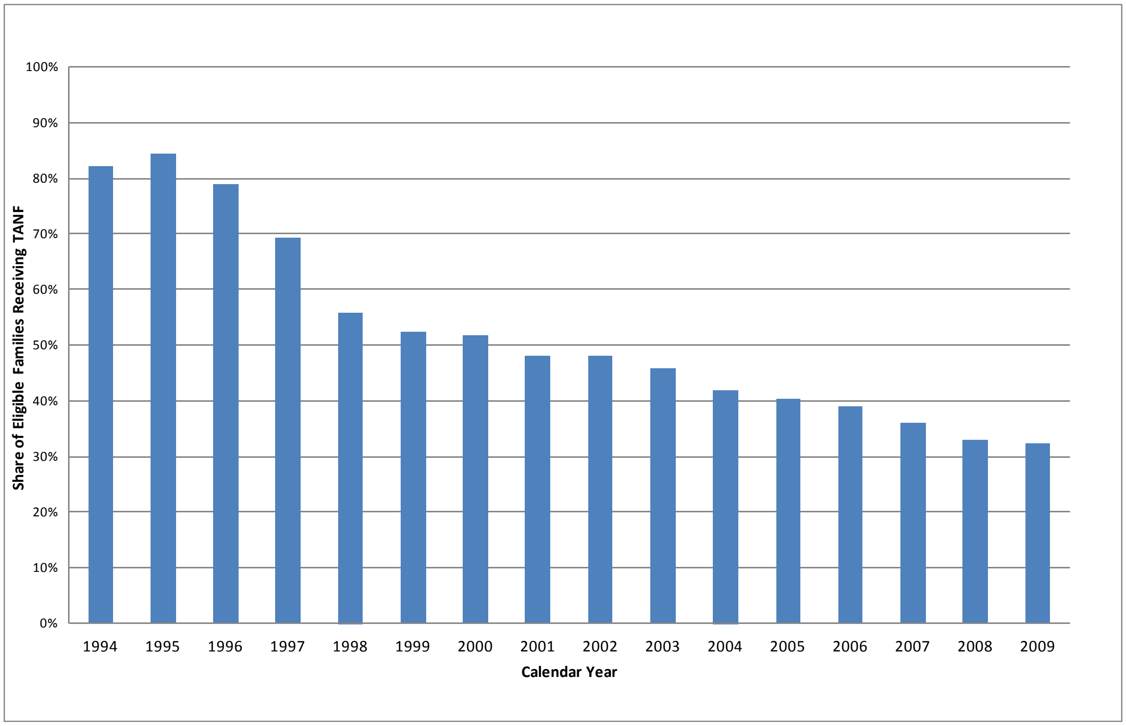
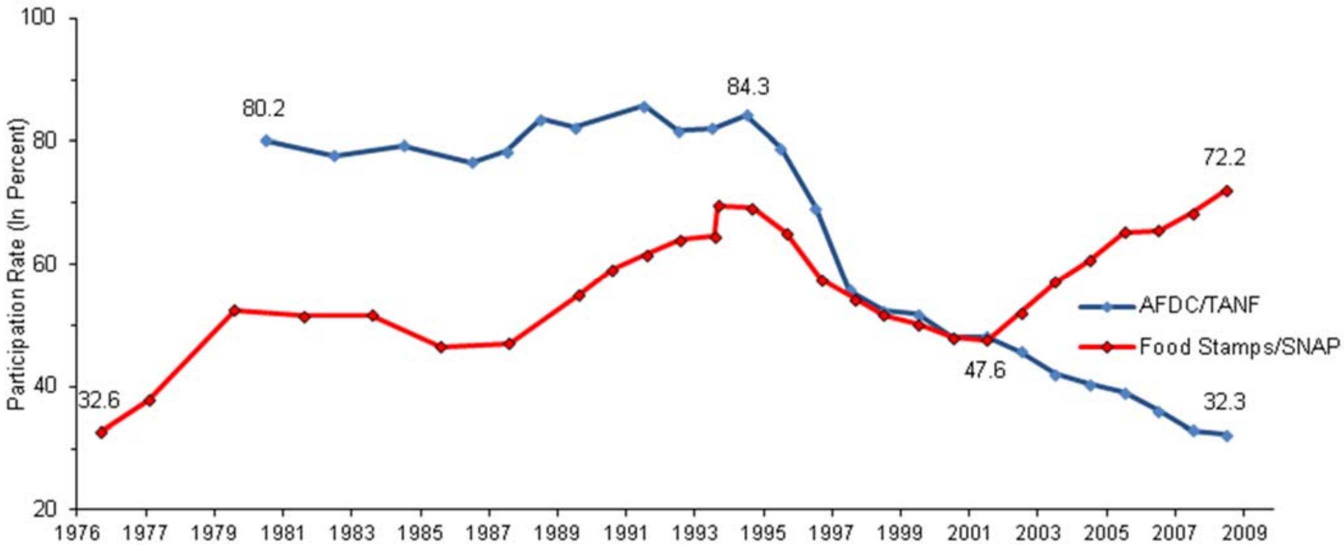


Figure 2-F compares the participation of eligible families in AFDC/TANF to the participation of eligible households in the Food Stamps/SNAP program. This comparison suggests that TANF has been less responsive as a resource to needy families than SNAP during the economic recession.

[7] AFDC/TANF participation rates are estimated by an Urban Institute model (TRIM3) that uses CPS data to simulate AFDC/TANF eligibility and participation for an average month, by calendar year. There have been small changes in estimating methodology over time, due to model improvements and revisions to the CPS. Most notably, since 1994 the model has been revised to more accurately estimate SSI participation among children, and in 1997 and 1998 the model was adjusted to more accurately exclude ineligible immigrants. In contrast to editions prior to 2004, this table includes families receiving assistance under Separate State Programs (SSPs). Note that families subject to full-family sanctions are counted as nonparticipating eligible families due to modeling limitations. Although the coverage rate estimates take into account the number of families who lost aid due to the time limit (and do not count such families in the denominator of the coverage rate estimate), they do not make any allowance for families staying off of TANF to conserve their time-limited assistance months. Also, the numbers of eligible and participating families include the territories and pregnant women without children, even though these two small groups are excluded from the TRIM model. The numbers shown here implicitly assume that participation rates for the territories and for pregnant women with no other children are the same as for all other eligibles. In 2004 the methods for identifying potential child-only units capture the fact that non-parent caretakers generally have a choice of whether or not to be included in the TANF unit. TRIM now excludes those caretakers whose income would make the unit ineligible, increasing the number of potential child-only units. **Source:** U.S. Department of Health and Human Services, Administration for Children and Families, caseload tabulations and unpublished tabulations from the TRIM3 microsimulation model.

Figure 2-F: Participation Rates in AFDC/TANF, Food Stamp/SNAP Programs, Selected Years[8]



TANF Applications and Closures

Figure 2-G shows the yearly total U.S. monthly averages for TANF applications received as well as the number and percentage of applications approved and the number of cases closed. As discussed in a report on the TANF application process prepared for ACF by Abt Associates, it is important to note that states have varying definitions and procedures for TANF applications, approvals, and case closures. Some of the biggest differences include whether states count individuals applying for other programs as TANF applicants, how states handle individuals returning to TANF after a recent case closing, and how states count applicants who withdraw their application before eligibility can be determined. The full report can be found here: http://www.cfs.purdue.edu/cff/documents/family_data/abt_associates_repor.pdf.

[8] Food Stamp Eligible households are estimated from a Mathematica Policy Research, Inc. model that uses CPS data to simulate the Food Stamp Program. Food Stamp caseload data are from USDA, FNS program operations caseload data. There have been small changes in the methodology over time, due to model improvements and revisions to the CPS. Notably, the model was revised in 1994 to produce more accurate and lower estimates of eligible households. The estimates for previous years show higher estimates of eligibles and lower participation rates relative to the revised estimate for 1994 and estimates for subsequent years. The two estimates for 1999 are due to re-weighting of the March 2000 – 2003 CPS files to Census 2000 and revised methodologies for determining food stamp eligibility. The original estimate (September 1999) is consistent methodologically with estimates from September 1994 – September 1998, while the revised estimate (FY 1999) is consistent with the estimates for FY 2000 – FY 2009.

Source: U.S. Department of Agriculture, Food and Nutrition Service, *Trends in Supplemental Nutrition Assistance Program Participation Rates: Fiscal Year 2002 to Fiscal Year 2009* available online at www.fns.usda.gov/ora/MENU/Published/SNAP/FILES/Participation/Trends2002-09.pdf, and unpublished tabulations from the TRIM3 microsimulation model.

Figure 2-G: U.S. Average Monthly Number of TANF Applications Received and Approved, and Cases Closed, FY 2000 - FY 2011

	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
U.S. Monthly Average TANF Applications Received	270,922	281,987	296,772	310,077	310,900	297,901	293,635	297,527	298,680	321,086	334,033	315,556
U.S. Monthly Average TANF Applications Approved	147,369	158,087	157,266	160,561	155,623	143,280	134,897	137,810	135,685	139,098	142,707	139,497
Percentage Approved	54.4%	56.1%	53.0%	51.8%	50.1%	48.1%	45.9%	46.3%	45.4%	43.3%	42.7%	44.2%
U.S. Monthly Average TANF Cases Closed	171,511	165,376	170,367	166,266	165,981	156,333	150,591	149,565	142,238	142,729	150,974	157,215

The reasons for case closures are discussed in Chapter X of this report; however, it is difficult to determine the accuracy of data on reasons for case closures as well as the reasons for application denials because states use a variety of codes and do not always use mutually exclusive reason categories.

Time Limits

Under the former AFDC program, families could receive assistance without being subject to a time limit if they continued to meet program eligibility rules. Under the TANF program, Congress established a maximum length of time for which a family may receive assistance funded by federal TANF funds.

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), which created the TANF program, stipulates that states may not use federal TANF funds to provide assistance to a family that includes an adult who has received assistance for more than a cumulative total of 60 months (whether or not consecutive) after the establishment of a state's TANF program. States are to count only months for which an adult received assistance as the head-of-household or as the spouse of the head-of-household. Any month when a pregnant minor or minor parent received assistance as the head-of-household or married to the head-of-household counts toward the 60-month limit.

In FY 2011, the average countable months of receipt for families with an adult receiving federally funded assistance was 24 months (see Appendix Table 2.5), with about 40 percent receiving such assistance for 12 months or less.

There are several circumstances in which receipt of assistance does not count toward the 60-month time limit. First, any month of assistance by an individual who is not the head-of-household or married to the head-of-household. Second, any month of assistance by an adult while living in Indian country (as defined in Section 1151 of Title 18, United States Code) or a Native Alaskan village where at least 50 percent of the adults were not employed. Third, any month of assistance funded solely with state maintenance-of-effort (MOE) funds, using either segregated state funds or a separate state program. (Note: the data included in this report reflecting the number of families exempt from the accumulation of months toward the 60-month time limit reflect only those families funded with segregated state funds. Families receiving assistance under a separate state program are not included in this data collection.)

States have the option to extend assistance paid by federal TANF funds beyond the 60-month time limit for up to 20 percent of the average monthly number of families receiving assistance during the fiscal year or the immediately preceding fiscal year, whichever the state elects. States are permitted to extend assistance to families only on the basis of: (1) hardship, as defined by the state, or (2) the fact that the family includes someone who has been battered, or subjected to extreme cruelty as specified in the statute. Assistance can also be extended for families with an adult while (s)he lives in Indian country (as defined in Section 1151 of Title 18, United States Code) or a Native Alaskan village where at least 50 percent of the adults were not employed. In addition, states can provide assistance funded solely with state MOE funds, using either segregated state funds or through a separate state program.

In FY 2011, 2.3 percent of families nationally with an adult head of household receiving federally funded assistance had received aid beyond the 60-month limitation due to the 20 percent hardship exception, far below the upper limit (See Appendix Table 2:6). Most states reported that less than 1 percent of all such families received assistance beyond 60 months due to a hardship exemption or domestic violence waiver. Only three states had more than 10 percent of cases receiving assistance beyond 60 months for these reasons (See Appendix Table 2:6).

III. Work Participation Rates

Work participation rates measure the degree to which families receiving assistance in TANF and SSPs are engaged in work activities specified under federal law.

Work Participation Rate Requirements

Overall and Two-Parent Work Participation Rates

The TANF statute specifies the work participation rate requirements for states. States must meet both an overall (also called "all families") work participation rate and a two-parent work participation rate, or face a financial penalty. The overall work participation rate for a state requires that at least 50 percent of TANF families with a work-eligible individual (WEI) engage in one or more of 12 specified work activities (see Figure 3.1) for a minimum average of 30 hours per week (or 20 hours per week for a single parent with a child under six years of age) in a month. The two-parent work participation rate requires states to have at least 90 percent of two-parent families with two WEIs in work activities for at least an average of 35 hours per week (or 55 hours per week for a family receiving federally subsidized child care) in a month.

The regulatory definition of a "work-eligible individual" is included in Figure 3-A.

Figure 3-A: Definition of Work Eligible Individual (45 CFR 261.2(n))

Work eligible individual means an adult (or minor child head-of-household) receiving assistance under TANF or a separate state program or a non-recipient parent living with a child receiving such assistance unless the parent is:
(i) a minor parent and not the head of household;
(ii) a non-citizen who is ineligible to receive assistance due to his or her immigration status; or
(iii) at State option on a case-by-case basis, a recipient of Supplemental Security Income (SSI) benefits or Aid to the Aged, Blind, or Disabled in the Territories.

The term also excludes:

(i) a parent providing care for a disabled family member in the home, provided that there is medical documentation to support the need for the parent to remain in the home to care for this disabled family member;
(ii) at state option on a case-by-case basis, a parent who is the recipient of Social Security Disability Insurance (SSDI) benefits; and
(iii) an individual in a family receiving MOE-funded assistance under an approved Tribal TANF plan, unless the state includes the Tribal family in calculating work participation rates under §261.25.

The original TANF statute also allows states to exclude three categories of families from the calculation of the work participation rates, including those: (1) with a single parent caring for a child under the age of one (limited to a lifetime maximum of 12 months); (2) under a sanction for noncompliance with work requirements (for up to 3 months in the preceding 12-month period); and (3) participating in a tribal TANF or tribal work program.

The Deficit Reduction Act of 2005 (DRA) required work participation rates to include families in separate state programs funded with maintenance-of-effort funds (SSP-MOE) (i.e., programs funded with state dollars counting toward the state's cost sharing requirements). This change took effect with the FY 2007 work participation rates, and caused many states to create solely state-funded (SSF) programs to serve families that may have trouble meeting all of the work participation guidelines, such as two-parent families, that had previously been served in SSPs.

Countable Activities

Prior to the DRA, states were allowed to develop their own reasonable definitions for the work activities specified in the TANF statute. The DRA required the Department of Health and Human Services (HHS) to define each of the countable work activities and establish verification requirements that a state must meet in order to count an hour of participation. The work activities are listed in Figure 3-B and defined at 45 CFR 261.2.

The TANF statute imposes some restrictions on when certain activities may count toward the state's work participation rate. Specifically, under the law, for a family to count in the state's overall work participation rate for a month, a WEI in the family must participate for an average of 30 hours per week, of which at least an average of 20 hours per week must be in one or more of the nine "core" activities. The three other "non-core" activities may count for any remaining hours beyond the "core hours" requirement (See Figure 3-B). For the two-parent rate, 30 of the 35 average weekly hours (or 50 of 55 hours for a family receiving federally subsidized child care) must come from the same nine "core" work activities.

Current law also restricts the amount of time individuals can spend on some qualified activities and still count toward the state's participation rate hours. Allowable hours for job search and job readiness assistance are limited to no more than six weeks in a 12-month period (or up to 12 weeks if a state has an unemployment rate at least 50 percent greater than the unemployment rate of the United States or meets the definition of a "needy state" for purposes of the TANF Contingency Fund), and no more than four consecutive weeks. Allowable hours for vocational educational training are limited to 12 months per individual. A teen parent (under age 20) who is a WEI, however, may count toward the work participation rate without regard to the hours and activities requirements if he or she maintains satisfactory attendance in secondary school (or the equivalent) or participates in education directly related to employment for an average of at least 20 hours per week in the month. No more than 30 percent of those counting toward a state's participation rate for a month may participate in vocational educational training or teen parent educational activities.

Figure 3-B: Current Countable Work Activities	
"Core" Activities (at least 20 hours/week from these)	"Non-Core" Activities (only countable for hours in excess of 20)
Unsubsidized employment	**Job skills training directly related to employment**
Subsidized private sector employment	**Education directly related to employment**
Subsidized public sector employment	**Satisfactory attendance at secondary school or in a GED program**
Work experience	
On-the-job training	
Job search /job readiness assistance	
Community service programs	
Vocational educational training	
Providing child care to a participant in a community service program	

Caseload Reduction Credits

While the statute sets required work participation rates of 50 percent for all families and 90 percent for two-parent families, the actual standard that states must meet are usually lower, because jurisdictions may receive a credit against these standards for caseload reductions since FY 2005.

A state's caseload reduction credit equals the percentage point decline in its average monthly caseload between FY 2005 and a comparison year for reasons other than changes in eligibility rules. Normally, the comparison year is the previous year (e.g., FY 2009 for the FY 2010 caseload reduction credit), but the American Recovery and Reinvestment Act of 2009 allows a state the option of using FY 2007 or FY 2008 as the comparison year for rates in FY 2009, FY 2010, and FY 2011 if it is advantageous to the state. In determining the amount of caseload decline, a state that spends MOE funds in excess of its basic MOE requirement need only include the proportion of caseloads receiving assistance that is necessary to meet basic MOE requirements. In other words, it may exclude from its comparison year caseload the share of cases funded with "excess MOE."

FY 2010 Work Participation Rates

The national average overall participation rate achieved in FY 2010 was 29.0 percent, which is consistent with the overall rates achieved since FY 2007 when the DRA provisions – i.e., new requirements for who is counted in the calculation of the rate, standardized definitions of countable activities, and new verification and monitoring requirements – went into effect. Figure 3-C demonstrates the trend in TANF work participation rates achieved from FY 1997 to FY 2010.

Figure 3-C: TANF Work Participation Rates Fiscal Years 1997-2010		
Fiscal Year	**Overall**	**Two-Parent**
1997	30.7%	44.5%
1998	35.3%	42.4%
1999	38.3%	54.7%
2000	34.0%	48.9%
2001	34.4%	51.1%
2002	33.4%	49.4%
2003	31.3%	48.4%
2004	32.0%	47.4%
2005	33.0%	42.6%
2006	32.5%	45.9%
2007	29.7%	35.7%
2008	29.4%	27.6%
2009	29.4%	28.3%
2010	29.0%	33.4%

Source: TANF Data Report.
Note: Beginning in FY 2007, the work rates have included SSP-MOE cases.

For FY 2010, the caseload reduction credit, which includes caseload adjustments due to excess MOE spending, reduced the overall rate requirement below the 50 percent statutory standard for all states and territories except Guam and South Dakota. Twenty-one states and one territory had sufficient caseload reduction credits to reduce their effective required overall rate to zero, and an additional 17 states had an effective rate of less than 25 percent. Figure 3-D shows the number of jurisdictions with effective rates under 25 percent from FY 2000 through FY 2010.

Figure 3-D
Number of States with Adjusted Standards At or Below 25% for Overall Rates

Fiscal Year	Number of States with and Adjusted Standard of 0.0%	Number of States with an Adjusted Standard Greater than 0% and below 25%
2000	31	20
2001	28	24
2002	21	30
2003	20	30
2004	18	30
2005	17	32
2006	19	29
2007	4	16
2008	22	13
2009	22	17
2010	22	17

In FY 2010, all states and territories met their required all-families adjusted standard except for California, District of Columbia, Guam, Maine, Michigan, Ohio, Oregon, and Puerto Rico. Six states achieved an overall work participation rate of over 50 percent. The work participation rates and the effect of the caseload reduction credits on individual jurisdiction rate requirements for FY 2010 are displayed in Figure-E.

The FY 2010 two-parent national average participation rate achieved was 33.4 percent, an increase from 28.3 percent in FY 2009. In FY 2010, of the 29 jurisdictions that served two-parent families through either TANF or SSP-MOE Programs, six (Alaska, Guam, Maine, Nevada, Oregon, and Rhode Island) failed to meet their adjusted two-parent standard.

More information about the FY 2010 TANF Work Participation Rates can be found on the OFA data and reports page (http://www.acf.hhs.gov/programs/ofa/programs/tanf/data-reports) and in the Appendix of this report.

Figure 3-E
Combined TANF and SSP-MOE Work Participation Rates
Fiscal Year 2010

STATE	ALL FAMILIES RATES				TWO-PARENT FAMILIES RATES		
	RATE	ADJUSTED STANDARD 2/	MET TARGET		RATE	ADJUSTED STANDARD 2/	MET TARGET
United States	29.0%				33.4%		
Alabama	37.1%	0.0%	YES		28.6%	0.0%	YES
Alaska	33.3%	21.4%	YES		35.3%	51.0%	NO
Arizona	29.1%	0.0%	YES		72.8%	30.5%	YES
Arkansas	34.1%	0.0%	YES		21.5%	0.0%	YES
California	26.2%	29.0%	NO		35.6%	0.0%	YES
Colorado	33.6%	0.0%	YES		28.6%	4.1%	YES
Connecticut	37.2%	0.0%	YES			1/	N/A
Delaware	38.8%	0.0%	YES			1/	N/A
Dist. of Columbia	15.0%	26.0%	NO			1/	N/A
Florida	47.5%	0.0%	YES		56.4%	0.0%	YES
Georgia	67.5%	0.3%	YES			1/	N/A
Guam	1.0%	50.0%	NO		1.1%	90.0%	NO
Hawaii	47.6%	0.0%	YES		56.3%	9.6%	YES
Idaho	49.5%	30.6%	YES			1/	N/A
Illinois	49.1%	0.0%	YES			1/	N/A
Indiana	19.2%	11.3%	YES		18.7%	0.0%	YES
Iowa	34.8%	24.0%	YES		28.0%	0.0%	YES
Kansas	27.2%	0.0%	YES		28.9%	0.0%	YES
Kentucky	46.4%	31.5%	YES		42.7%	40.0%	YES
Louisiana	27.4%	13.6%	YES			1/	N/A
Maine	19.7%	47.5%	NO		17.2%	87.5%	NO
Maryland	40.7%	31.7%	YES			1/	N/A
Massachusetts	22.2%	0.0%	YES		90.1%	25.6%	YES
Michigan	22.8%	25.2%	NO			1/	N/A
Minnesota	40.2%	0.0%	YES			1/	N/A
Mississippi	66.3%	20.2%	YES			1/	N/A
Missouri	17.5%	14.9%	YES			1/	N/A
Montana	51.6%	25.8%	YES		57.2%	19.7%	YES
Nebraska	49.5%	0.0%	YES			1/	N/A
Nevada	37.6%	28.8%	YES		45.2%	68.8%	NO
New Hampshire	46.6%	0.0%	YES			1/	N/A
New Jersey	19.9%	0.0%	YES		0.0%	1/	N/A
New Mexico	42.5%	15.2%	YES		57.4%	0.0%	YES

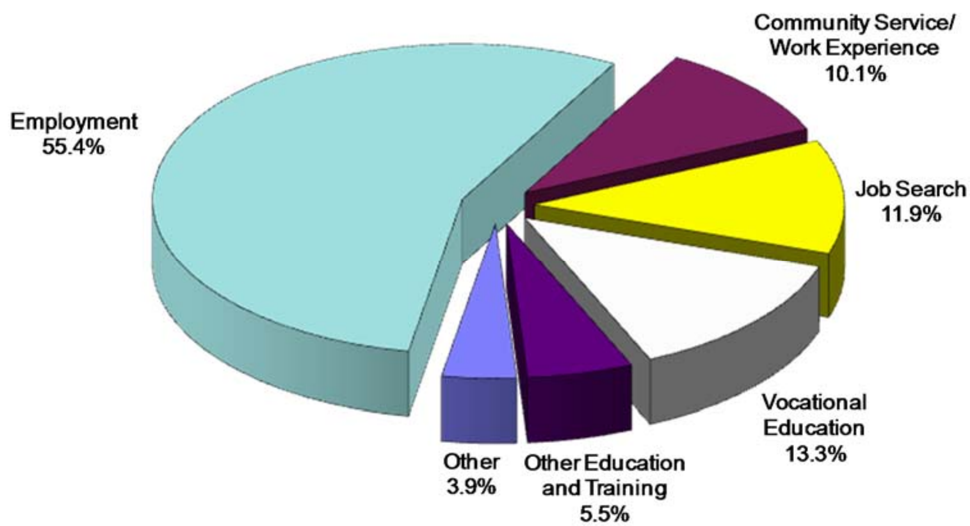
Figure 3-E Continued
Combined TANF and SSP-MOE Work Participation Rates
Fiscal Year 2010

STATE	ALL FAMILIES RATES				TWO-PARENT FAMILIES RATES		
	RATE	ADJUSTED STANDARD 2/	MET TARGET		RATE	ADJUSTED STANDARD 2/	MET TARGET
New York	35.0%	11.5%	YES			1/	N/A
North Carolina	37.1%	0.0%	YES		60.9%	0.0%	YES
North Dakota	68.7%	20.8%	YES			1/	N/A
Ohio	23.1%	42.0%	NO		25.4%	10.1%	YES
Oklahoma	24.3%	20.6%	YES			1/	N/A
Oregon	8.4%	45.4%	NO		7.2%	85.4%	NO
Pennsylvania	46.0%	14.3%	YES		86.8%	13.0%	YES
Puerto Rico	8.6%	23.5%	NO			1/	N/A
Rhode Island	12.0%	0.0%	YES		9.2%	30.7%	NO
South Carolina	37.2%	0.0%	YES			1/	N/A
South Dakota	61.4%	50.0%	YES			1/	N/A
Tennessee	26.5%	0.0%	YES		0.0%	0.0%	YES
Texas	36.1%	4.7%	YES			1/	N/A
Utah	33.8%	5.4%	YES			1/	N/A
Vermont	34.9%	11.1%	YES		38.2%	0.0%	YES
Virgin Islands	9.2%	0.0%	YES			1/	N/A
Virginia	42.9%	37.8%	YES			1/	N/A
Washington	24.2%	0.0%	YES		22.3%	0.0%	YES
West Virginia	25.9%	17.4%	YES		89.6%	57.4%	YES
Wisconsin	42.5%	0.0%	YES		31.1%	0.0%	YES
Wyoming	63.4%	34.2%	YES		48.5%	25.3%	YES

1/ State does not have any two-parent families in its TANF and/or SSP-MOE programs.
2/ Statutory standard for all families rate is 50% and 2-parent rate of 90%; they are adjusted by state's caseload reduction credit.

During FY 2010, 41.0 percent of adults nationally were reported to have participated in qualified work activities for at least one hour per week in an average month. As a group, they averaged 24.5 hours of qualified participation per week. Figure 3-F displays these hours by work activity for FY 2010. It is important to note that adults with countable activities could have participated in more than one work activity per week.

Figure 3-F
Average Monthly Total Hours of Participation for All Work-Eligible Individuals (TANF and SSP) by Work Activity, FY 2010



Note: Adults could have participated in more than one activity; Percentages are rounded.
Source: Table 7A of the FY 2010 TANF Work Participation Rate Tables

Sixty-six percent of all hours claimed toward work participation rates involved direct work, mostly in employment but also in community service and work experience.

In FY 2010, an additional 14.8 percent of TANF families with a work-eligible individual had some hours of participation, but did not attain sufficient hours to qualify toward the work rate. States reported zero hours of participation in qualified activities for 55.7 percent of families. Families with WEIs that are reported as having zero hours of participation may in fact be engaged in activities that do not meet TANF's work participation requirements, i.e., a state chooses not to report a WEI's hours because he/she did not work enough hours in countable activities to be considered "engaged," or a WEI may be participating in activities that are not included in the countable work activities. Zero hours of participation also may result from a range of situations, including individuals who are non-compliant and are in the sanction process; individuals who the state or local agency has failed to engage; individuals who are not participating due to illness, disability, having a very young child, lack of needed child care; individuals not participating because they are in their first month of assistance or are awaiting the beginning of activity; and others.

Claims Resolution Act Engagement Reporting

In accordance with the Claims Resolution Act of 2010 (Public Law 111-291), the Administration for Children and Families (ACF) prepared two reports that provide more detail on WEIs with zero hours of participation and those who do not fully meet work participation standards, one for the month of March 2011 and another for the April-June 2011 quarter. The report was based on time-limited expansion of state reporting requirements that required states to provide additional data. The following summary pertains to the report for April-June 2011, which can be found at: http://www.acf.hhs.gov/programs/ofa/resource/cra-june2011html.

In the April-June 2011 reporting period, there were 1,236,793 average monthly WEIs throughout the United States, in approximately 1.925 million average monthly families receiving TANF/SSP-MOE. The number of individuals in each of the categories below sum to more than 100 percent since a WEI could fall into more than one of the following categories. States reported the following statuses for WEIs in the April-June 2011 quarter:

- 24.2 percent of all WEIs met the Federal Participation Rate standards
    - Note that in most states, the percentage of WEIs counting toward the participation rate is likely to be lower than the official work participation rate. This is due to methodological differences between the calculations. For example, a family may include more than one WEI and the participation rate calculation excludes families with a WEI that can be disregarded, e.g., single parent families with a child under the age of one (for not more than 12 months over the WEI's lifetime). The WEIs in these "disregarded" families are included in the analysis here but not counted in the federal participation rate calculation.
- 54.5 percent of all WEIs had zero hours of participation
    - The data from states indicate that this represents a range of situations including:
        - 8.6 percent were non-compliant and are in the sanction process (and are not disregarded);
        - 7.6 percent were in families disregarded from the participation rate because they were caring for a child under age one, were subject to a work-related sanction, or were participating in a Tribal work program;
        - 6.9 percent were individuals the state or local agency has failed to engage;
        - 6.2 percent were exempt due to illness or disability;
        - 4.4 percent were exempt due to other state policies;
        - 2.4 percent were in families in their first month of assistance with no activities yet assigned;
        - 1.9 percent had been assigned an activity that has not yet begun;
        - 1.8 percent were exempt by the state because they are single-custodial parents with a child under the age of one, but not disregarded from the work participation rate;

        - 1.0 percent were single custodial parents with a child under the age of six with no child care available;
        - 9.3 percent had zero hours of participation but are in other statuses not identified as options on the ACF-812.

- 15.7 percent of all WEIs had insufficient hours
    - Over 43 percent of the hours for this category were in unsubsidized employment, reflecting the extent of part-time employment among WEIs.

- 5.1 percent of WEIs participated in non-countable activities
    - Four activities accounted for over 60 percent of the hours spent in these activities:
        - 23.9 percent for activities related to adult basic education;
        - 18.6 percent of these hours were in treatment activities; and
        - 18.0 percent for family life skills activities.

- 2.6 percent of WEIs had hours that do not meet verification standards
    - The data submitted in response to the Claims Resolution Act requirements may understate the number of states and WEIs with unverified hours of participation because states and/or their vendors typically do not collect information about non-verified hours of participation and there is little incentive to invest resources in doing so.

- 2.0 percent of all WEIs had uncountable hours due to statutory time limits on participation
    - 61.2 percent of these hours were in job search/job readiness assistance and 38.8 percent of these hours beyond the limit are in vocational educational training.

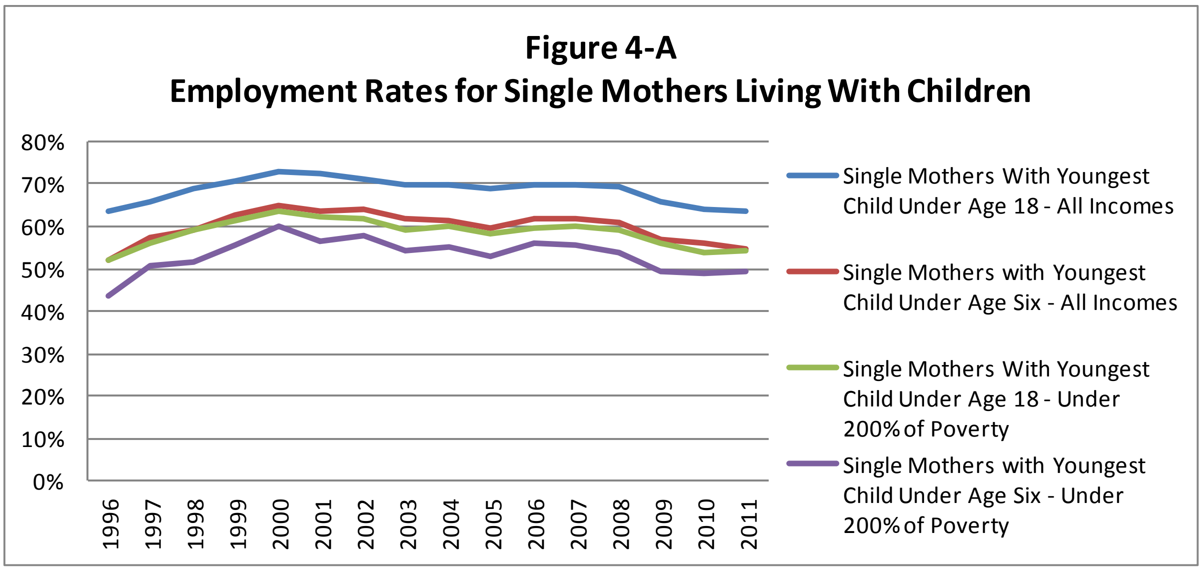
- 1.4 percent of all WEIs had unreported countable hours
    - The total number of unreported hours of participation in countable work activities was greatest in job search/job readiness assistance and in unsubsidized employment. Note that a state may choose not to report hours of participation for purposes of the work participation rate if the individual does not meet the standard for counting toward the work participation rate calculation.

Work Participation Penalties

When a state fails the TANF work participation rate requirement for a fiscal year, it is subject to a financial penalty. OFA notifies the state of its failure, the amount of the penalty, and its options for resolving it. The state's options are: (a) dispute the data OFA used; (b) claim that it should not be penalized because it had "reasonable cause" for failing to meet the requirement; (c) request that OFA reduce the penalty because the failure was due to "extraordinary circumstances" (e.g., regional recession); (d) enter into a corrective compliance plan under which the penalty will not be assessed if the state comes into compliance; or (e) accept the penalty. The state may elect these options consecutively. Appendix Table 3:15 provides an overview of TANF work participation rate penalties and their outcomes to date.

IV. Work and Earnings

This chapter reviews data on employment among TANF families and low-income single mothers generally. Employment among low-income single mothers (incomes below 200 percent of poverty), reported in the U.S. Census Bureau's Current Population Survey was 52 percent in 1996 when TANF was enacted. This employment rate reached its peak of 64 percent in 2000, then declined to 59 percent in 2003, where it remained relatively stable through 2008. Employment rates for this group declined during the most recent economic downturn, falling to 54 percent in 2011. Employment among low-income single mothers with children under age six has followed a similar trend. The trends since 1996 for low-income, and all, single mothers are displayed in Figure 4-A.



Note: "Single Mothers" include married-civilian spouse absent, never married, divorced, and separated women.
Source: ASPE tabulations from the Current Population Survey, ASEC

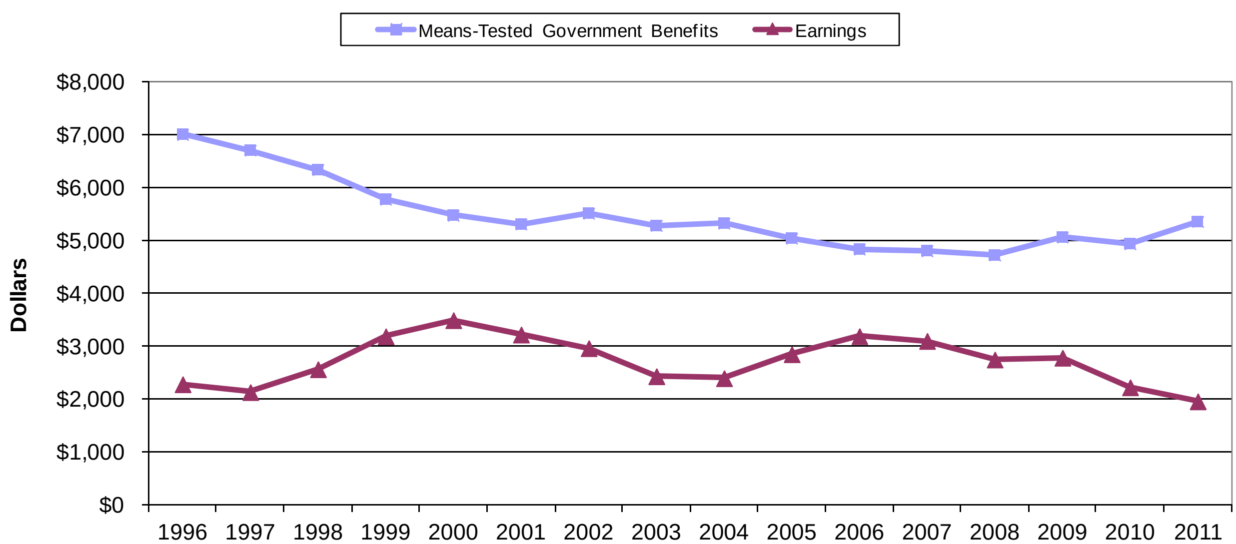
As shown in Figure 4-B, for the one-fifth of female-headed families with the lowest income in the U.S., the average annual earnings of the single mother families (including those with and without earnings) was $2,279 in 1996 (in 2011 dollars) and rose to a peak of $3,492 (in 2011 dollars) in 2000. In 2011, the average annual earnings of the single mother families (with and without earnings) declined to $1,956 in 2011.

The next 20 percent of female-headed families with the lowest income in the U.S. displayed a steady rise in earnings after TANF was enacted, peaking at $13,940 in 2000 from $6,640 in 1996 (in 2011 dollars, including those with and without earnings). However, despite a brief increase from 2005 to 2007, earnings among this quintile group have decreased since 2000 to $10,313 in 2011 (in 2011 dollars).

Concomitant with these earnings fluctuations since 1996 are overall declines in total income from means-tested benefits. Means-tested benefits are defined as cash assistance, SSI payments, the Supplemental Nutrition Assistance Program (SNAP) and National School Lunch Program benefits, housing benefits and certain veterans' benefits, and do not include the effects of tax credits or liabilities. As shown by Figure 4-B, means-tested government benefits have declined from $7,003 in 1996 to $5,357 in 2011 (in 2011 dollars) for the lowest quintile group. Figure 4-C shows a similar case for the next 20 percent of single mother families, as means-tested government benefits decreased from $9,832 in 1996 to $6,270 in 2011 (in 2011 dollars). Similar to the earnings measure, there have been fluctuations in means-tested benefits since 1996. Despite these fluctuations, the rates demonstrate an overall decline since 1996.

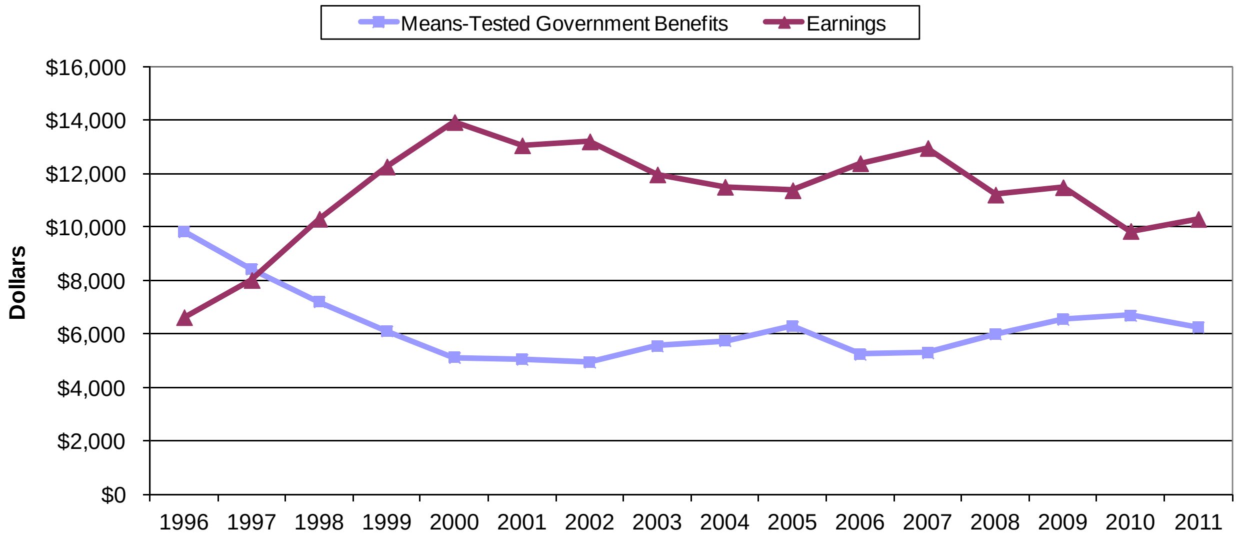
For the lowest quintile group, the earnings and means-tested benefits for 2011 show that, aside from the 2006 to 2008 period, as earnings decline, means-tested benefits increase. A similar pattern can be shown for the next 20 percent of single mother families with children.

Figure 4-B
Government Benefits[1] and Earnings for
Single-Mother Families with Children
with Income in the Lowest 20th Percentile in 2011 Dollars
1996 - 2011



Source: ASPE Calculations from Census Bureau Current Population Survey data (March 1991-2012).
Note: Sorted into quintiles by comprehensive income divided by poverty line. Income estimated for persons with top-coded income. Persons with negative income removed. Numbers are averages within each quintile.
[1]Means-tested government benefits is the total of Supplemental Security Income, public assistance, certain veterans' benefits, SNAP, National School Lunch Program, and housing benefits.

Figure 4-C
Government Benefits[1] and Earnings for Single-Mother Families with Children with Income between the 20th and 40th Percentiles in 2011 Dollars 1996 - 2011



Source: ASPE Calculations from Census Bureau Current Population Survey data (March 1991-2012).
Note: Sorted into quintiles by comprehensive income divided by poverty line. Income estimated for persons with top-coded income. Persons with negative income removed. Numbers are averages within each quintile.
[1]Means-tested government benefits is the total of Supplemental Security Income, public assistance, certain veterans' benefits, SNAP, National School Lunch Program, and housing benefits.

Employment While Receiving TANF Assistance

As discussed in Chapter X of this report, the employment rate of adult TANF recipients was 22.3 percent in FY 2011. State-reported data show that the average monthly earnings of adults employed while receiving TANF assistance was $838 in FY 2011.

V. TANF Performance Measures

HHS is required under Section 413(d) of the Social Security Act to annually measure and rank state performance in moving TANF recipients into private sector employment. Beginning with performance year FY 2001, ACF has calculated state job entry, job retention and earnings gains rates based on matching monthly listings of adult TANF recipients against the quarterly wage files on the National Directory of New Hires. ACF continues to use this data source for measuring employment among TANF recipients, though these rates are affected by economic and demographic factors and state eligibility rules as well as state performance.

The job entry rate measures the percent of the number of unduplicated unemployed adult recipients who entered employment for the first time during the year. An adult is considered to have entered employment for the first time in a calendar quarter if he/she had no earnings in any of the prior quarters of the year.

The job retention rate measures the share of the unduplicated number of employed adult recipients in each quarter of the year who also were employed in the first and second subsequent quarters.

The earnings gain rate measures the rate of change in earnings of employed adult recipients who were employed in both an initial and the second subsequent quarter in each of the four quarters of the year.

Table 5-A shows the national figures for these performance measures in years FY 2009 - FY 2011.[9] The most recent state-level results are presented in Appendix Tables 5:2 through 5:6 and are available on OFA's website at http://www.acf.hhs.gov/programs/ofa/programs/tanf/data-reports.

Table 5-A
TANF Work-Related Trend Information

	FY 2009	FY 2010	FY 2011
Job Entry Rate	27.5%	29.0%	30.1%
Job Retention Rate	61.5%	62.8%	64.0%
Earnings Gain Rate	29.2%	31.6%	34.0%

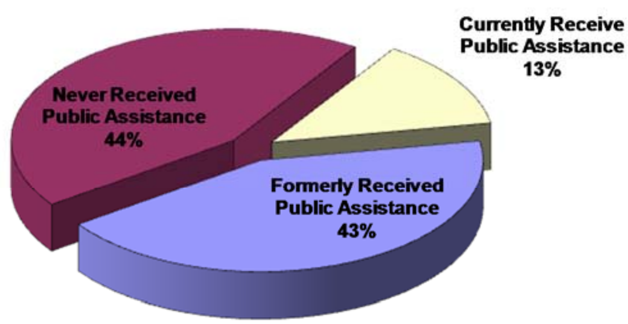
9 States varied in whether they reported sample or universe data, and a few switched from sample to universe data (or vice versa) from one fiscal year to the next. Those states that submitted sample data have very little impact on the national rate calculations, regardless of the state's size, and the sampling error may vary from one fiscal year to another. Further, the sample and universe data compare conceptually different measures; since the sample cases represent a cross-section of the caseload in a specific month whereas the universe case represent is based on the unduplicated of cases in a year, the sample data reflect more long-term TANF recipients than that of the universe data. Thus, the combination of sample and universe data in a single fiscal year or from one to the next, does not ensure comparability of FY 2009, FY 2010, and FY 2011 data. As a result, states that reported sample data have been excluded from the calculation of the national rates for FY 2009- FY 2011 (these States are AR, CA, CO, CT, FL, KS, MA, MD, MI, MS, NM, NY, OH, PA, SC, SD, TX, and WV).

VI. TANF and Child Support

The goal of the nation's Child Support Enforcement Program is to ensure that children are supported financially and emotionally by both of their parents. Child support services consist of locating parents, establishing paternity and support obligations, and monitoring and enforcing those obligations. Custodial parents receiving TANF assistance are required to cooperate with child support enforcement efforts.

At the end of FY 2011, there were 15.8 million child support cases. Figure A shows that the vast majority of child support services are now provided to non-public assistance cases. Cases in which the children were formerly receiving public assistance[10] constituted 43 percent of the FY 2011 Child Support caseload and cases in which the children have never received public assistance constituted 44 percent of the FY 2011 caseload. Over the previous three year period, the percentage of former assistance cases remained constant from FY 2009 to FY 2011, while the percentage of cases that had never received assistance increased one percentage point from 43 percent in FY 2009 to 44 percent in FY 2011. There were 2.0 million child support cases in which the child was currently receiving public assistance in FY 2011, accounting for 13 percent of the total caseload.

Figure 6-A



Source: Form OCSE-157 lines 1+ 3

Total Child Support Caseload, FY 2011

[10] Public assistance in this paragraph is defined as those families where the children are either recipients of TANF or entitled to Foster Care maintenance payments (IV-E).

Federal regulations require families that receive TANF assistance to assign their child support income to the state. States can then decide what portion, if any, of those collections to transfer back to TANF families and how much of that income should be considered during benefit and eligibility calculations. Figure 6-B describes each state's treatment of child support income for TANF recipients, as of July 2011 (this table and the following paragraph describing the table have been extracted from the Welfare Rules Databook, prepared by the Urban Institute under contract with the Department of Health and Human Services).

The first column of the table displays the amount of collected child support that is counted for recipients' eligibility determination. Typically, states count all child support collected or all but $50 of the amount when considering eligibility, even if the state does not transfer any support directly to the family. Those states that do not count the child support for eligibility typically establish some method to ensure that families with high and continuing child support amounts do not remain on the rolls indefinitely. The second column of the table shows what portion of the collected child support is transferred to the family as unearned income, while the third column indicates how much of that transferred amount is disregarded for benefit computation. For example, if "$50" is coded in both the second and third columns, then $50 is transferred to the unit as unearned income, and of that amount, all $50 is disregarded for benefit computation.

Figure 6-B
Treatment of Child Support Income for Recipients, July 2011[1]

State	Amount of child support collection counted for recipients' eligibility determination[2]	Portion of Child Support Collection Transferred to the Family:	
		Amount transferred	Amount of transfer disregarded for benefit computation
Alabama	No income eligibility tests	—	—
Alaska	All but $50	$50	$50
Arizona	None[3]	—[4]	—[4]
Arkansas	All	—	—
California	No income eligibility tests	$50 [4]	$50 [4]
Colorado	All	—	—
Connecticut	All but $50	$50	$50
Delaware	All but $50	$50 plus child support supplement[5]	All
D.C.	No income eligibility tests	$150	$150
Florida	All	—	—
Georgia	None[3]	Amount of unmet need[6]	All
Hawaii	All	State supplement[7]	All
Idaho	No income eligibility tests	—	—
Illinois	No income eligibility tests	$50	$50
Indiana	None[3]	—	—
Iowa	None[3]	—	—
Kansas	No income eligibility tests	—	—
Kentucky	All but $50	—	—
Louisiana	No income eligibility tests	—	—
Maine	All but $50	$50 plus amount of unmet need[8]	All
Maryland	No income eligibility tests	—	—
Massachusetts	All but $50	$50 [9]	$50 [9]
Michigan	No income eligibility tests	$50	$50
Minnesota	No income eligibility tests	All	$0
Mississippi	All	—	—
Missouri	All	—	—
Montana	None[3]	No transfer, up to $100 added to TANF payment[10]	—
Nebraska	No income eligibility tests	—	—
Nevada	All	—	—
New Hampshire	No income eligibility tests	—[11]	—[11]

Figure 6-B Treatment of Child Support Income for Recipients, July 2011[1]			
State	Amount of child support collection counted for recipients' eligibility determination[2]	Portion of Child Support Collection Transferred to the Family:	
		Amount transferred	Amount of transfer disregarded for benefit computation
New Jersey	No income eligibility tests	$100	$100
New Mexico	All but $100	$100	$100
New York	All but $100/$200 [12]	$100/$200 [12]	$100/$200 [12]
North Carolina	No income eligibility tests	—-	—-
North Dakota	No income eligibility tests	—-	—-
Ohio	No income eligibility tests	—-	—-
Oklahoma	All	—-	—-
Oregon	All but $50 [13]	$50 [13]	$50 [13]
Pennsylvania	All but $100/$200 [12]	$100/$200 [12]	$100/$200 [12]
Rhode Island	No income eligibility tests	$50	$50
South Carolina	All	Amount of unmet need[14]	All
South Dakota	No income eligibility tests	—-	—-
Tennessee	None[3]	Amount of unmet need[15]	All
Texas	All but $75	No transfer, up to $75 added to TANF payment[16]	—-
Utah	All	—-	—-
Vermont	No income eligibility tests	All	$50
Virginia	All but $100	$100	$100
Washington	All	—-	—-
West Virginia	All but $100/$200 [12]	$100/$200 [12]	$100/$200 [12]
Wisconsin	None[3]	75% of child support payment	All
Wyoming	No income eligibility tests	—-	—-

Source: Table IV.A.2 Treatment of Child Support Income for Recipients, July 2011 from the Urban Institute's Welfare Rules Database, funded by HHS/ACF and HHS/ASPE.

[1] This table describes the treatment of child support collected by the state on behalf of a TANF recipient; it does not cover the treatment of child support received by the family directly from the absent parent. Child support collections may be counted as income for eligibility purposes regardless of whether they are transferred to the family; however, child support retained by the state is never counted for purposes of benefit computation. Although many states have created unique child support policies, some states still provide families with the traditional $50 pass-through used under AFDC. The traditional pass-through is represented in this table with "All but $50" in the first column, and "$50" in the second and third columns. Also, this table does not cover the transfer of child support payments in excess of current or total TANF benefits.

[2] Some states with values displayed in this column do not have income eligibility tests for recipients according to table IV.A.4. In table IV.A.4, we do not display net income tests if the calculation of the test and the disregards allowed for the test do not differ from those used to calculate the benefit. However, for families with child support income, the net income eligibility test may differ from the benefit computation. For purposes of calculating eligibility when the family receives child support income, the net income test for recipients is equivalent to the benefit calculation in the state (see tables II.A.1, II.A.2, and II.A.3).

[3] States that do not count any child support collections for calculating recipients' eligibility generally use other methods to ensure that families with high and continuing child support amounts do not remain on the rolls indefinitely.
[4] Any child support collected on behalf of a child subject to a family cap is transferred to the family and treated as exempt income.
[5] In addition to the $50 pass-through payment, Delaware provides a supplemental child support payment. This payment is calculated by subtracting a recipient's current disposable income from his or her disposable income as it would have been calculated in 1975.
[6] The amount of child support collected or the amount of unmet need, whichever is smaller, is transferred to the family as unearned income and disregarded for benefit determination. The unmet need, also called the gap payment, is calculated as (the standard of need for the unit's family size) minus (the family maximum for the unit's family size) minus (the unit's net income). For units affected by the family cap, the amount of unmet need is calculated using the standard of need for the family size that includes the capped child, but using the family maximum that excludes the capped child.
[7] The state supplement is equal to (the amount of child support received) times (1 minus Hawaii's Medicaid match rate). In 2011, the portion of child support passed through to each recipient was 41.53 percent.
[8] In addition to the $50 pass-through, the amount of unmet need, also known as the gap payment, is transferred to the family as unearned income and disregarded for benefit determination. The unmet need is calculated as (the standard of need for the unit's family size) minus (the maximum benefit for the unit's family size) minus (the unit's net income). After the pass-through, the state transfers child support in the amount of the unmet need for the family, up to the amount of child support collected.
[9] All child support collected on behalf of a child subject to the family cap is transferred to the family. For children subject to the family cap, the first $90 of unearned income, including child support, is disregarded for eligibility and benefit computation; the rest is counted.
[10] The state will add any child support collected up to $100 to the TANF payment. This money is considered an addition to the TANF payment, not a pass-through of child support income, and is disregarded for eligibility purposes.
[11] Two-parent families are funded under a separate state program and are not required to assign child support to the state. The family keeps all child support, and it is counted as unearned income for eligibility and benefit computation purposes.
[12] The total pass-through amount is up to $100 if there is one child in the family and up to $200 if there is more than one child in the family.
[13] The total pass-through amount is $50 per child up to $200.
[14] The gap payment equals 63.7 percent of the smaller of (retained child support for the month) or (the maximum amount that would not make the family ineligible for TANF if counted as income). The state defines "retained child support" as the amount equal to the smaller of (the current month's collection), (the basic TANF award for the month), or (the current monthly obligation excluding arrears).
[15] The amount of child support collected or the amount of unmet need, whichever is smaller, is transferred to the family as unearned income and disregarded for benefit determination. In Tennessee, the unmet need, also known as the gap payment, is calculated as (the consolidated need standard for the unit's family size) minus (the unit's TANF grant) minus (the unit's net income).
[16] The state will add to the TANF payment the smaller of the court-ordered payment amount, the amount the Office of the Attorney General received during that month, or $75. This money is considered an addition to the TANF benefit, not a pass-through of child support income, and is disregarded for eligibility purposes.

Until October 1, 2008, states were required to send the federal government a share (based on the Medicaid match rate) of all child support collected on behalf of TANF recipients regardless of whether the support was passed through to the families. However, the Deficit Reduction Act of 2005 waived the federal government's share of collections that are transferred back to TANF families and disregarded in benefit calculations (up to $100 per month for one child and $200 per month for two or more children) beginning October 1, 2009, or as early as October 1, 2008.

More detailed information about the Child Support Enforcement Program's collections, expenditures, services, and caseload can be found on Office of Child Support Enforcement's webpage: http://www.acf.hhs.gov/programs/css.

VII. Promotion of Healthy Marriage and Responsible Fatherhood

In 2005, the Office of Family Assistance (OFA) implemented two programs to promote stable relationships and positive child outcomes: the Promoting Responsible Fatherhood program and the Healthy Marriage program. Authorized by the Deficit Reduction Act of 2005 (DRA), both programs relied on a locally-based network of grantees to offer workshops, resources and a comprehensive set of activities to support families and children. The 2006–2011 Healthy Marriage and Responsible Fatherhood grantees provided education and services to more than 500,000 people in 44 states over the course of five years.

In 2010, Congress reauthorized these programs under the Claims Resolution Act and allocated $150 million to fund a new set of grants, specifying that funding should be equally split between healthy marriage and responsible fatherhood activities.

With consideration to the previous efforts in mind, OFA began implementation of the newly funded grant programs in Fiscal Year (FY) 2011: Community-Centered Healthy Marriage and Relationships, Pathways to Responsible Fatherhood, and Community-Centered Responsible Fatherhood Reentry Pilot Project grants. This funding opportunity yielded 121 new and previously funded grantees to the Healthy Marriage and Responsible Fatherhood program.

Community-Centered Healthy Marriage and Relationship Grants

In total, there were 60 federally funded Healthy Marriage grantees across 28 states funded in FY 2011. These programs are designed to deliver healthy marriage and relationship education and services in one or more of eight allowable activities specified in the authorizing legislation.

The allowable activities are as follows:

1. Public advertising campaigns on the value of marriage and the skills needed to increase marital stability and health.
2. Education in high schools on the value of marriage, relationship skills, and budgeting.
3. Marriage education, marriage skills, and relationship skills programs that may include parenting skills, financial management, conflict resolution, and job and career advancement.
4. Pre-marital education and marriage skills training for engaged couples and for couples or individuals interested in marriage.
5. Marriage enhancement and marriage skills training programs for married couples.
6. Divorce reduction programs that teach relationship skills.
7. Marriage mentoring programs which use married couples as role models and mentors in at-risk communities.

8. Programs to reduce the disincentives to marriage in means-tested aid programs, if offered in conjunction with any activity described in this subparagraph.

The Healthy Marriage grantee programs offer a broad array of healthy relationship education services at the community level. Some initiatives combine marriage and relationship education with supportive services to address participation barriers and the economic stability needs of their participants, including intensive employment services for participants who need education, training or employment. Eighty percent of the Healthy Marriage grantees are community-based/nonprofit organizations (see Figure 7-A). These programs operate in communities across the nation, as displayed in Figure 7-B.

Additional funding also was provided in FY 2011 for The National Resource Center for Healthy Marriage and Families (NRCHMF). The NRCHMF offers a variety of tools and resources designed to educate interested organizations on the benefits of integrating healthy marriage education into existing social service systems. The Center also provides a range of training, services and support to interested state, local and tribal government agencies as they work to integrate these Marriage Relationship Education (MRE) skills into their existing services in order to best support the families served in their community.

Figure 7-A
FY 2011 Healthy Marriage Grantees
Type of Organization

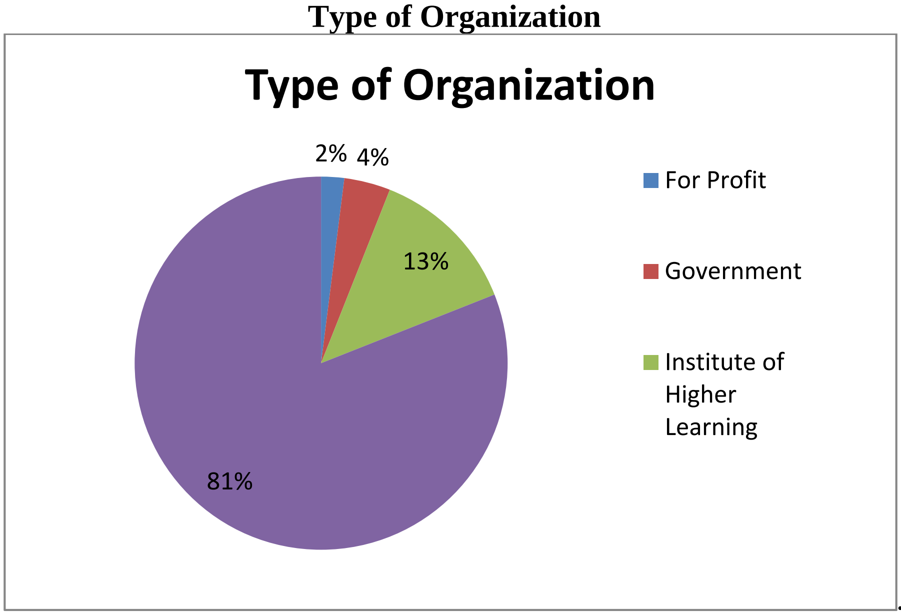
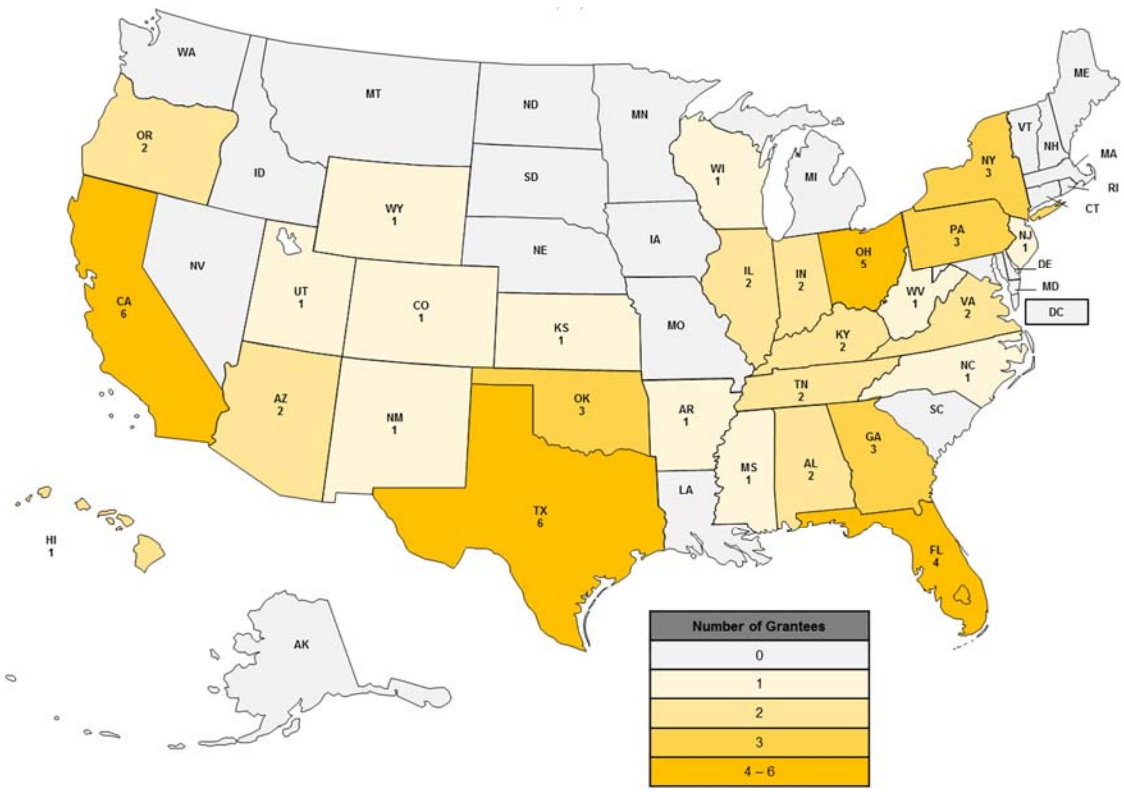


Figure 7-B
FY 2011 Healthy Marriage Grantees
Includes NRCHMF Grantee (VA)



Pathways to Responsible Fatherhood Grants

Alongside the Healthy Marriage projects, the CRA authorized Responsible Fatherhood grants. The purpose of the Pathways to Responsible Fatherhood program is to promote responsible fatherhood by funding projects to implement activities that encourage responsible parenting, foster economic stability, and promote healthy marriage. A funded program must offer all three of these types of activities.

These programs are designed to assist fathers in overcoming barriers that impede them from being effective and nurturing parents while helping them improve relationships with their children and partners. There were 55 Responsible Fatherhood grantees in 26 states funded in FY 2011. Nearly 90 percent of Responsible Fatherhood grantees operate in community-based/nonprofit organizations (see Figure 7-C). These programs operate in communities across the nation (see Figure 7-D for the geographic locations of these ACF funded Responsible Fatherhood grantees).

Figure 7-C
FY 2011 Responsible Fatherhood Grantees
Type of Organization

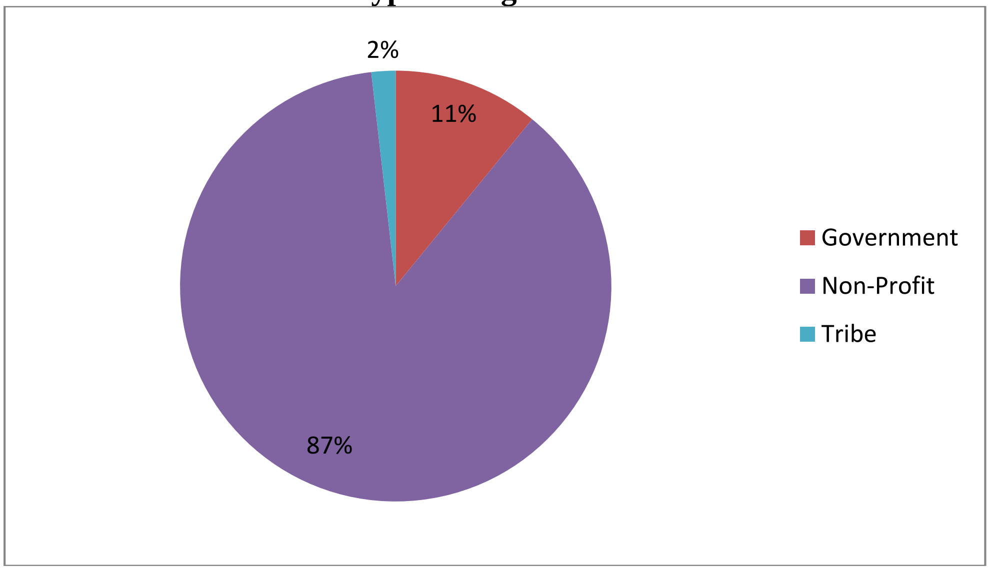
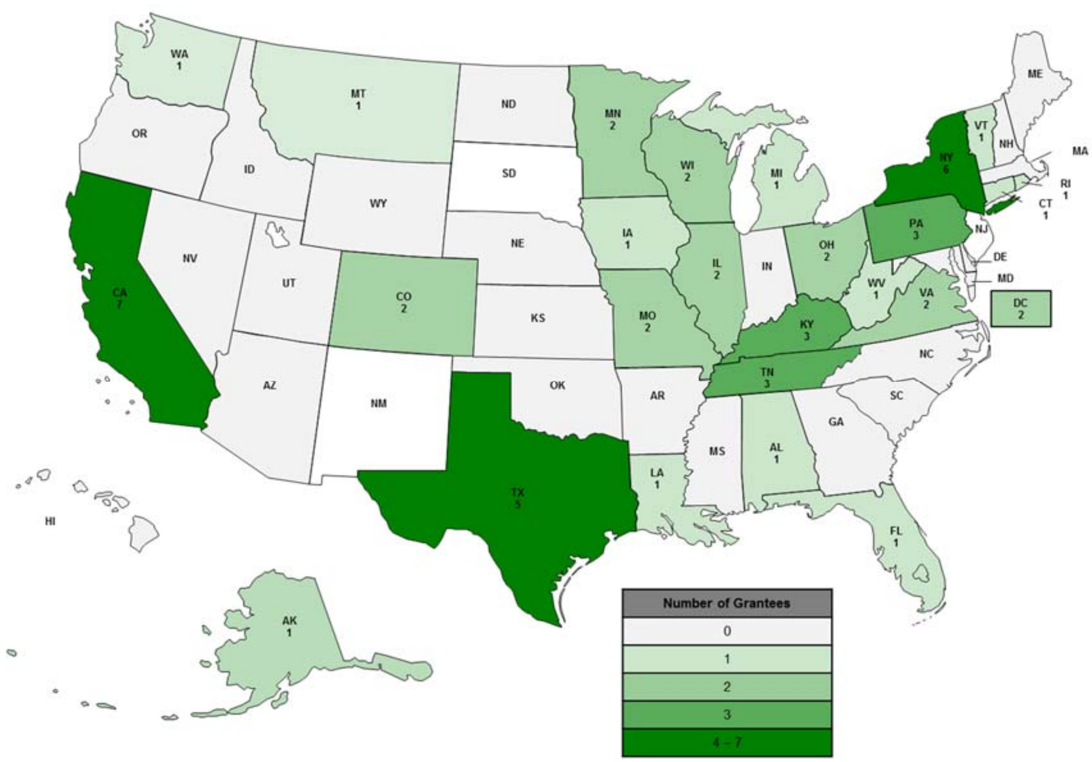


Figure 7-D
FY 2011 Pathways to Responsible Fatherhood Grantees



Community-Centered Responsible Fatherhood Reentry Pilot Project

In addition to Healthy Marriage and Responsible Fatherhood projects, the CRA authorized the Community-Centered Responsible Fatherhood Reentry Pilot Project. In FY 2011, this project supported four programs that offer community-centered (pre- and post-release) responsible fatherhood and supportive services to formerly incarcerated fathers, with the primary purpose of eliminating barriers to social and economic self-sufficiency and reducing recidivism.

Projects attempt to support responsible parenting and engagement, foster economic stability among fathers preparing to re-enter their communities or those who have recently returned to their communities following incarceration, and provide guidance as to what a healthy marriage might look like. Four of the Reentry Pilot Project grantees are community-based/nonprofit organizations and one is a state government. These programs operate in five states — California, New Jersey, New Mexico, Ohio, South Dakota.

Grantee Performance and Evaluation

The ACF Healthy Marriage, Responsible Fatherhood and Reentry grantees are required to collect data related to their proposed targets and program implementation. Grantees report these benchmarks on a semi-annual basis, which allows OFA to monitor progress and target its technical assistance efforts.

In addition grantees are required to fully participate in ACF-sponsored evaluations. The ACF Office of Planning, Research and Evaluation (OPRE) has implemented rigorous evaluations of Healthy Marriage and Responsible Fatherhood programs, described below and in Chapter XII of this report.

Parents and Children Together Evaluation

As a part of its program oversight responsibility, ACF has invested in a rigorous study of selected 2011 Healthy Marriage and Responsible Fatherhood grantees called The Parents and Children Together (PACT) Evaluation. PACT is a formative evaluation project which will document programs' approaches to service delivery and program operations, their effects on a range of family-life outcomes, and lessons learned that may be useful for practitioners and policymakers.

The PACT evaluation includes impact, implementation and qualitative studies. Approximately ten grantees will participate in one or more components of the PACT Evaluation. The impact evaluation component will utilize a random assignment evaluation design to assess the effectiveness of the selected programs on outcomes related to parenting, economic stability, couple relationships, and adult and child well-being. The implementation study component will examine and document the successes and challenges faced by grantees in designing, implementing, and operating their programs, and it will obtain perspectives directly from participants and partner organizations. The qualitative evaluation will involve collecting more in-depth information from participants over time and examining factors that influence their experiences, choices, and behaviors, including community and organizational level factors that may influence their involvement in the programs and potential outcomes.

Community Centered Responsible Fatherhood Ex-Prisoner Reentry Pilot Strategies

The Community Centered Responsible Fatherhood Ex-Prisoner Reentry Pilot Strategies (Reentry Strategies Study) is a multi-year, qualitative and quantitative study carried out for ACF through a contract with the Urban Institute. The study will document grantee implementation and operational successes and challenges through grantee progress reports, teleconferences, and onsite interviews with key staff as well as interviews with key community partners. Focus groups comprising participants and spouses/parents/co-partners, as appropriate, will document the perspectives and experiences of participants. The study will seek to identify common factors related to program successes and challenges across programs as well as document unique circumstances.

Grantee Supports: Training

OFA and contractor staff provided a variety of training oversight and guidance to both Healthy Marriage and Responsible Fatherhood grantees in FY 2011, contributing to grantee reported improvements in service delivery and quality.

For example, the OFA Grantee Learning Center (https://granteelearningcenter.acf.hhs.gov serves as the online portal for Healthy Marriage, Responsible Fatherhood and Reentry grantees to request and receive technical assistance as well as a repository of resources to help grantees maximize their program's effectiveness and achieve program goals.

Through the National Responsible Fatherhood Clearinghouse (www.Fatherhood.gov) and the National Resource Center for Healthy Marriage and Families, grantees have access to curricula, webinars, research products, and other resources to improve the implementation and success of their programs. OFA also conducted nationwide training sessions on performance measurements and reporting requirements and provided responsive and customized information to grantees.

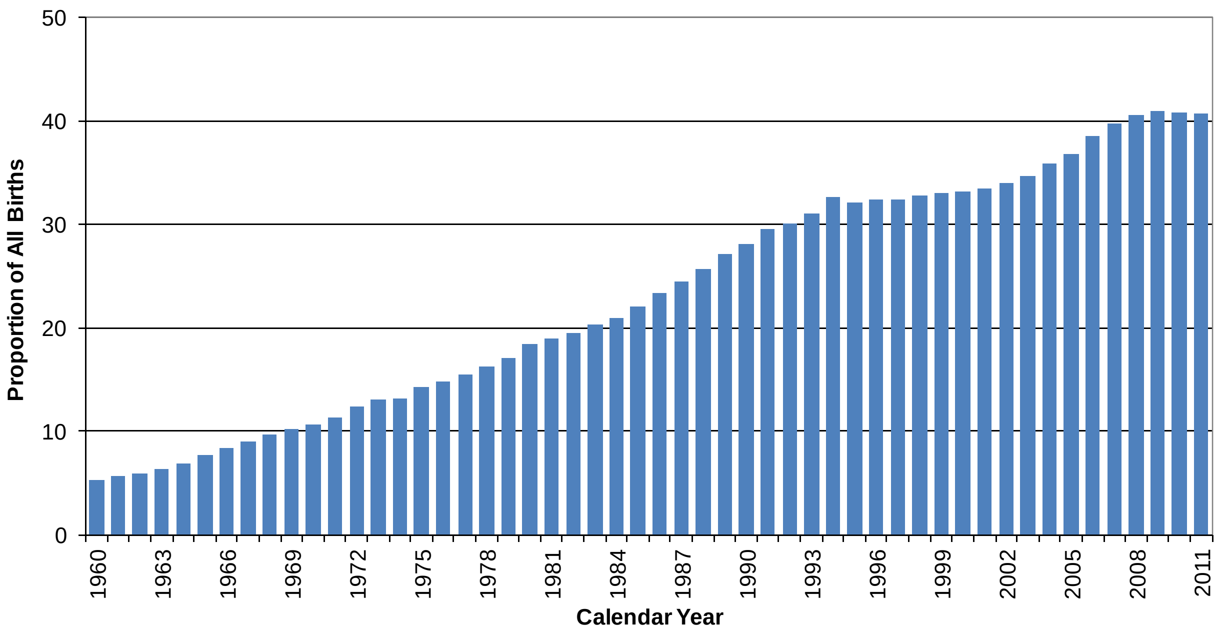
VIII. Out-of-Wedlock Births

An additional statutory purpose of the TANF program is to prevent and reduce the incidence of out-of-wedlock pregnancies and establish annual numerical goals for preventing and reducing the incidence of these pregnancies.

Out-of-Wedlock Births among the General Population

The National Center for Health Statistics (NCHS) at the Centers for Disease Control and Prevention (CDC) is responsible for collecting and analyzing vital statistics data. Based on the final births data for 2011, NCHS data show that the birth rate for unmarried women aged 15 to44 years decreased for three consecutive years from 51.8 births per 1,000 unmarried women in 2008 to 46.0 births per 1,000 unmarried women in 2010, which was the lowest birth rate for unmarried women since 2005. As shown in Figure 8-A, the proportion of births to unmarried women declined slightly from 41.0 percent in 2009 to 40.7 in 2011after a steady increase since 1997.

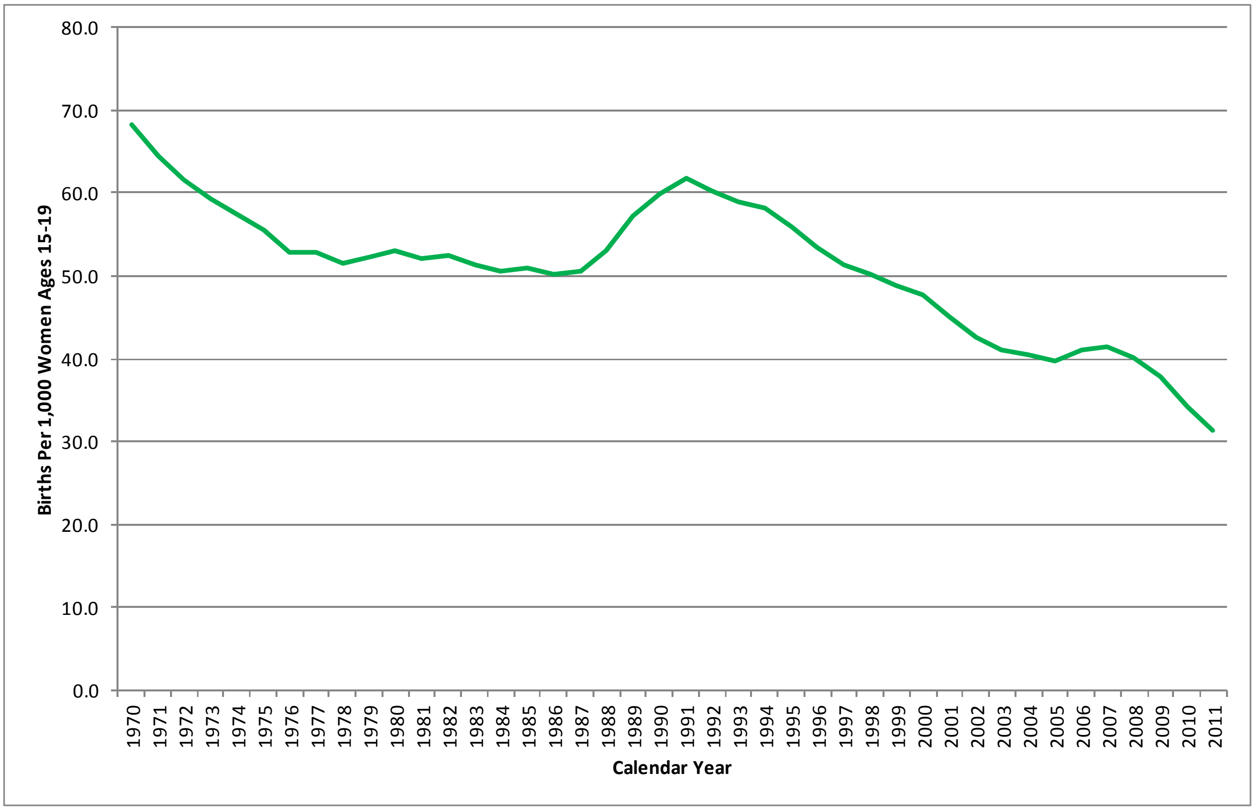
Figure 8-A
Percent Births to Unmarried Women
1960 – 2011



Source: Division of Vital Statistics, National Center for Health Statistics

The U.S. birth rate for women aged 15 to 19 was 31.3 births per 1,000 teenagers in 2011, representing a 49 percent decline from the rate of 61.8 births per 1,000 teenagers in 1991. The trend in the teen birth rate since 1970 is illustrated in Figure 8-B.

Figure 8-B
National Birth Rates for Teens, Aged 15-19
1970 – 2011



Source: Division of Vital Statistics, National Center for Health Statistics

Information about out-of-wedlock births in TANF as well as the teen parent status of TANF recipients can be found in Appendix tables 8:1 and 10:10.

IX. Child Poverty

The official federal poverty statistics are generated from Census Bureau surveys of household income by looking at the amount of cash income received by the individual or family. Non-cash transfers (e.g., SNAP benefits and housing subsidies) are not included in the income definition, nor are subtractions or additions to income made through the tax system, nor are adjustments made for work- or health-related expenses. An individual's or a family's poverty status is assessed by comparing its total cash income to a poverty threshold which varies by the size and composition of the family. In 2011, the federal poverty threshold for a family of four (two adults plus two children) was $22,811.

For calendar year 2011, the percentage of children (persons under 18) in poverty was 21.9 percent. This rate is not statistically different from 22.0 percent of children in poverty in 2010. The total number of children in poverty in 2011 was 16.1 million. Figure 9-A shows the child poverty rate from 1996 through 2011. The child poverty rate in 2011 was 5.7 percentage points higher than in 2000.

Figure 9-A
Poverty Rate of all Children under 18

Calendar Year	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Poverty Rate	20.5	19.9	18.9	16.9	16.2	16.3	16.7	17.6	17.8	17.6	17.4	18.0	19.0	20.7	22.0	21.9

Source: U.S. Census Bureau

While the poverty rate indicates the proportion of the population that is poor, the poverty gap measures the amount of money that would be required to raise all poor families to the poverty line. Figure 9-B displays the poverty gap for families with children from 1997 to 2011 using a poverty gap measure that does not include any means-tested transfer benefits (pre-transfer poverty gap shown in column 1) and the official measure of income poverty (official poverty measure gap shown in column 2).

Figure 9-B
Income Poverty Gap[1] for All Families with Children 1997 - 2011
Official Measure of Income Poverty[2]
(Dollars in Billions)

YEAR	Pre-Transfer Poverty Gap	Official Poverty Measure Gap	Reduction in Gap Between Pre-Transfer and Official (pretransfer - official)
1997	$96.7	$60.9	-$35.8
1998	$85.7	$57.3	-$28.4
1999	$77.9	$51.7	-$26.2
2000	$72.6	$50.4	-$22.2
2001	$76.3	$52.7	-$23.6
2002	$80.3	$54.5	-$25.8
2003	$86.4	$59.6	-$26.8
2004	$86.1	$60.6	-$25.5
2005	$85.0	$59.5	-$25.5
2006	$84.0	$59.8	-$24.2
2007	$84.8	$60.9	-$23.9
2008	$93.2	$65.2	-$28.0
2009	$106.4	$71.3	-$35.1
2010	$109.9	$75.0	-$34.9
2011	$109.9	$76.5	-$33.4

[1]The poverty gap indicated the income deficit for those in poverty, that is, it is the amount of money that would be required to raise all poor families to the poverty line.

[2]Constant 2011 dollars

Source: Special tabulation of Current Population Survey data by the Office of the Assistant Secretary for Planning and Evaluation, HHS.

In addition to the official federal poverty estimates, the Census Bureau has developed a supplemental poverty measure which draws on the recommendations of a 1995 National Academy of Sciences report and a federal interagency work group. This measure adds non-cash transfers and tax credits to the calculation of income while subtracting additional items such as tax payments, work expenses, and health expenses. In deriving the poverty thresholds, the supplemental measure includes expenditures on food, shelter, clothing and utilities and adjusts for geographic differences in the cost of housing. (The threshold for the official poverty measure is based on food expenditures.) The supplemental poverty measure provides additional insight into the economic well-being of families and how federal tax and transfer policies affect individuals and families.

For FY 2011, the second year for which supplemental poverty rates were calculated, the overall poverty rate was 16.1 percent, which was higher than the official poverty rate of 15.0. Unlike the current official poverty measure, the supplemental poverty measure can show the effects federal policies on various subgroups. For children, including in-kind benefits resulted in a supplemental poverty rate was that was lower for children than the official rate: 18.1 percent compared with 21.9 percent. In contrast, the supplemental poverty rate for those 65 and older was 15.1 percent compared with only 8.7 percent using the official measure. Even though supplemental poverty rates were lower for children and higher for those 65 and older than under the official measure, the rates for children were still higher than the rates for 18- to 64-year-olds and people 65 and older.

The TANF Child Poverty Regulation

The Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) includes a provision requiring each state to submit an annual statement of the state's child poverty rate to the Secretary of the Department of Health and Human Services (HHS) (42 U.S.C. §613(i)(1)). The provision specifies that, if from one year to the next, a state's child poverty rate increases by five percent or more as a result of its TANF program, the state must submit and implement a corrective action plan to reduce the rate.

For the first time since TANF was enacted, for the 2008 and 2009 period, 19 states had an increase of five percent or more in their child poverty rate and were required to submit to HHS an assessment of the impact of their state TANF program on the rate.[11] If the state or HHS determines the rise in the child poverty rate was due to the state's TANF program, the state must submit a corrective action plan to reduce the rate.

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[11] These states are: Alabama, Colorado, Florida, Georgia, Hawaii, Illinois, Indiana, Kansas, Maryland, Michigan, Minnesota, Missouri, North Carolina, Ohio, South Carolina, Texas, Utah, Washington, and Wisconsin.

X. Characteristics and Financial Circumstances of TANF Recipients

States are required to collect monthly TANF data and report them to HHS quarterly. These data include disaggregated case record information on the families receiving assistance, families no longer receiving assistance, and families newly-approved for assistance from programs funded by TANF funds.

Some of the national trends in characteristics and financial circumstances of TANF recipients are detailed in this chapter. State-level data, as well as data on SSP-MOE families, can be found in Tables 10:1 through 10:72 of the Appendix as well as on the OFA website's State TANF Data & Reports page: http://www.acf.hhs.gov/programs/ofa/programs/tanf/data-reports.

The FY 2011 data referenced in this chapter were obtained from a statistically valid sample of TANF cases within the national TANF database. The data highlighted in this chapter does not include SSP cases.

Under the TANF data reporting system, states have the option to submit either sample data or universe data to HHS. Thirty-two states submitted universe data, from which HHS randomly selected approximately 275 active cases and 100 closed cases each month from each state to analyze. The remaining 22 states submitted sample data and their entire sample is included in the analysis. A total sample of 217,157 active cases and 67,273 closed cases was used to compile the tables describing TANF recipient characteristics. The statistical data are estimates derived from samples and are subject to sampling and non-sampling errors, and because of this they may differ from data presented in other parts of this report. Statistical specifications can be found in tables 10:73 through 10:77 of the Appendix.

Trends in TANF Characteristics

TANF Families

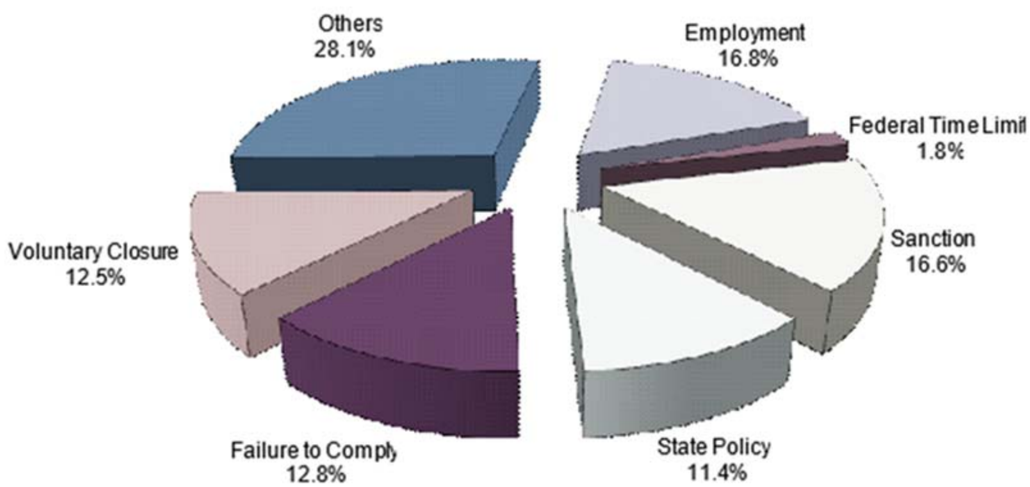
In FY 2011, the average number of recipients in TANF families was 2.4, including an average of 1.8 recipient children. One in two recipient families had only one child. Less than eight percent of families had more than three children. The average number of children in cases closed in the reporting month was 1.7. Nearly one in two closed-case families had one child, and close to seven percent had more than three children.

Eighty-three percent of TANF families received SNAP benefits in FY 2011, which is consistent with levels over the previous decade. These families received average monthly SNAP benefits of $382. In addition, states reported that 97 percent of TANF families received Medicaid or the Child Health Insurance Program (CHIP) in FY 2011. Of closed-case families, 78 percent received SNAP benefits in the month of closure and 95 percent received medical assistance in the month of closure.

Case Closures and Federal Time Limits

Figure 10-A illustrates the reasons for case closure in FY 2011. However, understanding the reasons for case closure is limited by the fact that states reported 25.4 percent of all cases as closed due to “other” unspecified reasons and 12.5 percent of all cases as “voluntary” closures. For example, while independent studies have typically found that half or more of families that stop receiving assistance leave as a result of employment, states reported only 17 percent of cases closing due to employment. Many closures due to employment are coded as failure to comply or as some other category because at the point of closure, the agency often is unaware that the client became employed.

Figure 10-A
TANF Families by Reason for Closure
FY 2011



Source: TANF Characteristics Data, Appendix Table 10:46

As noted in the figure, 1.8 percent of the case closings were due to families meeting federal time limits. State-level data for FY 2009 shows that 32 states closed less than one half of one percent of their cases due to the five-year federal limitation during the year.

There are various reasons why more case closings are not attributable to Federal time limits. One reason is that many families exit TANF long before they reach the time limit. Additionally, some cases are exempt from the accrual of months for a variety of reasons: the case does not contain a countable head-of-household, assistance is state-funded, or the family lives in Indian country or an Alaska native village with high unemployment. Finally, most families do not receive assistance continuously. Forty percent of cases on assistance in FY 2011 that were subject to the federal time limit were in the first year of assistance, 22 percent in the second year, 15 percent in the third year, and 9 percent in the fourth year (See Appendix Table 10:17).

States also may establish shorter time limits than five years, and many states do so, as described in Chapter XII of this report. During FY 2011, states reported closing less than one percent of cases due to state time limits, in addition to those closed due to the federal time limit (See Appendix Table 10:46).

Child-Only Cases

The number of child-only cases (those where no adult is receiving TANF assistance) was 978,000 families in FY 1996. In FY 2000, the number of child-only cases decreased to 782,000, but their proportion of the caseload increased significantly to 34.5 percent from 21.5 percent in FY 1996. The trend in child-only cases since FY 2000 is shown in Figure 10-B; with some variation, the number and percentage of child-only cases increased over the decade. In FY 2011, there were about 854,300 child-only cases, which accounted for 45.8 percent of the total caseload

Figure 10-B

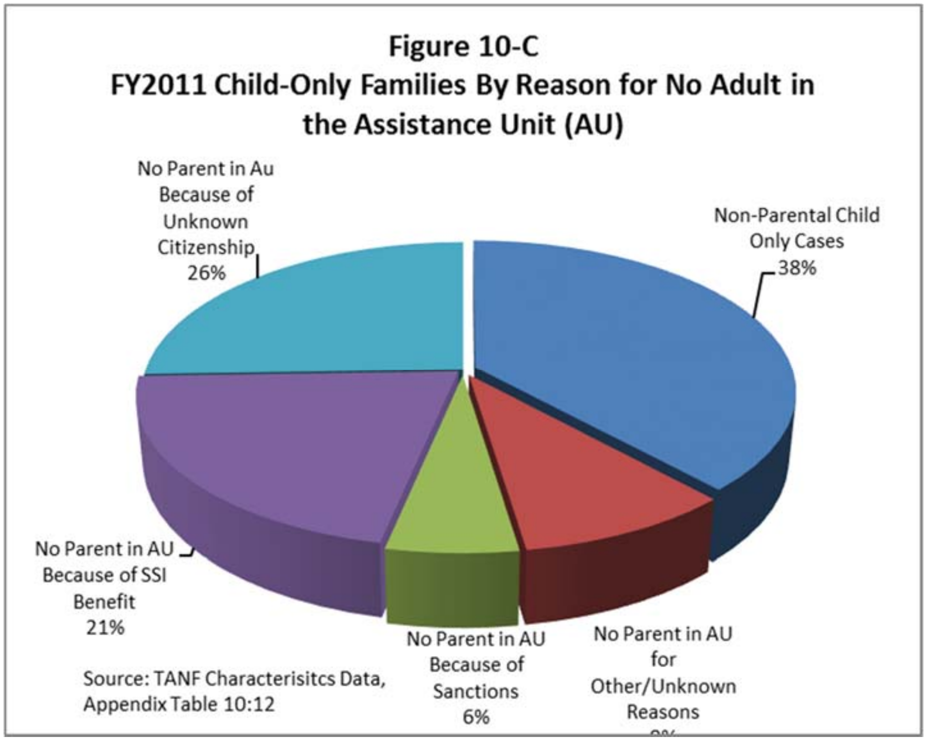
Trend in Proportion of TANF Child-Only Cases
FY 2000 – FY 2011

Unit: Thousand

Fiscal Year	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Child-Only Cases	782	787	803	830	864	870	851	823	819	831	855	854
Percent of Total Caseload	34.5	37.2	38.9	40.8	43.5	45.3	47.1	48.4	50.3	48.1	46.3	45.8

Source: TANF Characteristics Data, Appendix Table 10:5

Of the total cases with no adult TANF recipients, over half had a parent living in the household but not receiving benefits. These parents did not receive benefits for a number of reasons, including receipt of SSI benefit, an unknown citizenship/alienage status, or a sanction status for failure to comply with work requirements, attend school, or cooperate with child support. Figure 10-C illustrates the reasons that parents who are living in the household are not included in the assistance unit, as a percentage of all child-only cases.



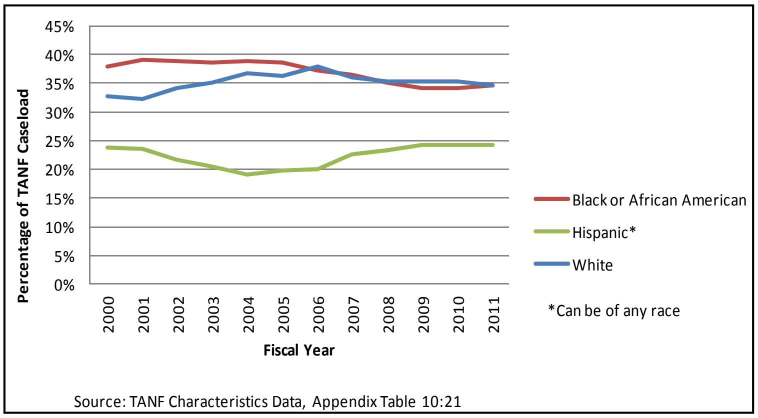
TANF Adults

There were about 2.1 million adults living in TANF households in FY 2011. Of all those adults, 52.9 percent were TANF recipients and 47.1 percent were not. Of those not receiving assistance, 68.4 percent were parents, 28.2 percent were non-parent caretakers, and 3.4 percent were other persons whose income was considered in determining eligibility (see Appendix Table 10:9).

Most TANF adult recipients were women, as men only represented 15.3 percent of adult recipients. 89.5 percent of adult recipients were the head of the household. There were about 84,680 teen parents whose child also was a member of the TANF family, representing 9.3 percent of recipients aged 13 to 19. Fourteen percent of adult recipients were married and living together. The number of married adult recipients has decreased as many states have moved two-parent families to SSF or SSP-MOE programs.

In FY 2011, 35 percent of adult recipients were white, 35 percent were African-American, 24 percent were Hispanic, 2.4 percent were Asian, and 1.2 percent were Native American. Figure 10-D shows the trend in the race/ethnicity of TANF adults from FY 2000 through FY 2011, and Figure 10-E displays the trends in the age groups of TANF adults over the same time period.

Figure 10-D Trend in TANF Adults by Race/Ethnicity, FY 2000 – FY 2011



	White	Black or African American	Hispanic*
2000	32.8%	37.9%	23.7%
2001	32.2%	39.0%	23.6%
2002	34.2%	38.9%	21.6%
2003	35.1%	38.6%	20.5%
2004	36.7%	38.9%	19.1%
2005	36.3%	38.6%	19.8%
2006	37.9%	37.2%	19.9%
2007	35.9%	36.4%	22.6%
2008	35.2%	35.0%	23.3%
2009	35.4%	34.1%	24.2%
2010	36.8%	33.0%	23.7%
2011	34.7%	34.5%	24.2%

*Can be of Any Race

Figure 10-E
Trend in TANF Adult Recipients by Age Group
FY 2000 - 2011

	Under 20	**20-29**	**30-39**	**Over 39**
2000	7.1%	42.5%	32.1%	18.3%
2001	7.4%	42.4%	31.2%	19.0%
2002	7.5%	44.9%	29.9%	17.7%
2003	7.7%	46.8%	28.7%	16.8%
2004	7.4%	47.6%	28.2%	16.8%
2005	7.3%	47.1%	28.1%	17.4%
2006	7.2%	48.5%	26.8%	17.5%
2007	7.3%	48.7%	27.0%	17.0%
2008	7.3%	50.1%	26.4%	16.1%
2009	8.0%	50.0%	26.0%	16.0%
2010	7.9%	51.3%	25.4%	15.4%
2011	6.9%	51.8%	26.6%	14.7%

Source: TANF Characteristics Data, Appendix Table 10:18

Most TANF adult recipients were U.S. citizens. There were about 72,880 non-citizens (i.e., 6.6 percent of TANF adults) residing legally in this country who met the other immigrant eligibility criteria for assistance.

TANF Children

In FY 2011, Almost 75 percent of children were under the age of 11. Sixteen percent of recipient children were under two years of age, while 29 percent were between the ages of two and five.

Less than 9 percent of the children were 16 years of age or older. Table 10-F displays the trend in TANF recipient children by age group from FY 2000 through FY 2011.

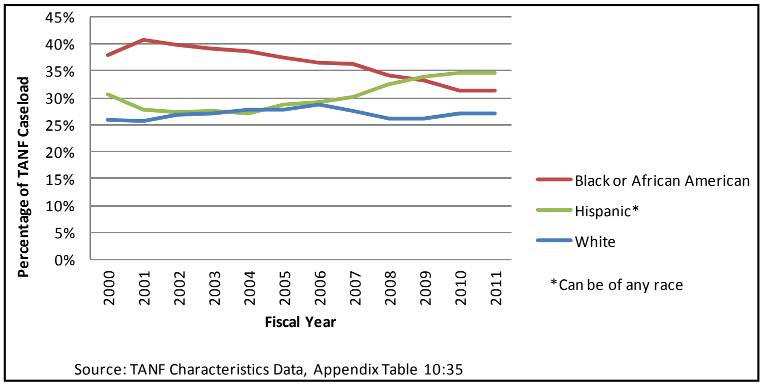
Figure 10-F
Trend in TANF Recipient Children by Age Group
FY 2002 - FY 2011

	Under 2	2-5	6-11	12-15	16-19
2000	13.1%	25.6%	36.2%	17.4%	7.6%
2001	13.4%	24.9%	35.8%	18.4%	7.5%
2002	14.6%	25.1%	34.4%	18.3%	7.6%
2003	14.6%	25.4%	33.4%	18.8%	7.7%
2004	14.7%	25.7%	32.2%	19.4%	8.0%
2005	14.5%	25.0%	31.8%	19.9%	8.8%
2006	14.5%	25.5%	31.1%	19.7%	9.2%
2007	15.4%	25.3%	30.5%	19.2%	9.5%
2008	16.0%	25.5%	30.4%	18.5%	9.5%
2009	16.1%	26.9%	29.9%	17.9%	9.2%
2010	16.0%	28.0%	30.1%	16.7%	9.2%
2011	15.7%	28.9%	30.3%	16.6%	8.5%

Source: TANF Characteristics Data, Appendix Table 10:31

Hispanic children comprised 35.2 percent of recipient children in FY 2011; while 32.2 percent of TANF recipient children were African American, and 25.5 percent were white. Figure 10-G shows the trend in race/ethnicity of TANF recipient children from FY 2000 to FY 2011. Over that time period, the percentage of African American children receiving TANF assistance decreased, while the percentage of Hispanic children increased.

Figure 10-G Trend in TANF Children by Race/Ethnicity, FY 2000 – FY 2011



	White	Black or African American	Hispanic*
2000	25.90%	37.90%	30.60%
2001	25.60%	40.80%	27.80%
2002	26.80%	39.80%	27.40%
2003	27.00%	39.10%	27.50%
2004	27.80%	38.60%	27.10%
2005	27.70%	37.50%	28.60%
2006	28.80%	36.40%	29.20%
2007	27.60%	36.20%	30.10%
2008	26.20%	34.10%	32.50%
2009	26.10%	33.10%	33.90%
2010	27.10%	31.40%	34.70%
2011	27.10%	31.40%	34.70%

*Can be of Any Race

Most recipient children were children of the head of the household in TANF families, and only 9.4 percent were grandchildren of the head of the household. Of all recipient children in TANF families with no adult recipients, 71.2 percent lived with parents and about 20 percent with grandparents who did not themselves receive assistance. Most TANF recipient children were U.S. citizens, and only 1.4 percent were qualified aliens.

Financial Circumstances

The average monthly amount of assistance for TANF recipient families was $387 in FY 2011. Monthly cash payments to TANF families averaged $323 for families with one child, $408 for those with two children, $485 for those with three children, and $588 for those with four or more children.

In FY 2011, about 18 percent of TANF families had non-TANF income. The average monthly amount of non-TANF income for those with non-TANF income was $725 per family. Twelve percent of the TANF families had earned income with an average monthly amount of $838, while seven percent of the TANF families had unearned income with an average monthly amount of $425. Unearned income includes a variety of income sources, most notably the Earned Income Tax Credit (EITC), Social Security, Supplemental Security Income (SSI), Unemployment Insurance, and Workers' Compensation. For certain sources, such as the EITC or SSI, the income may be disregarded. Of all closed-case families, 34 percent had non-TANF income with an average monthly amount of $897 in the month the case closed.

Nine percent of TANF families received child support in FY 2011, with an average monthly amount of $221. Ten percent of TANF families had some cash resources (e.g., cash on hand, bank accounts, or certificates of deposit) with an average amount of $220. As described in Chapter XII of this report, states define what counts toward cash resources for purposes of eligibility determinations.

Employment Rate

The employment rate of adult recipients increased significantly during the 1990s. The employment rate went from 6.6 percent in FY 1992 to 27.6 percent in FY 1999, reflecting both increases in employment and changes in state earnings disregard rules that affected whether an adult entering employment remained eligible for assistance. After this peak in FY 1999, the rate declined to 21.6 percent in 2006 and then rose back to 25.9 percent in FY 2008. In FY 2011, the employment rate of adult recipients remained the same rate of 22.3 percent (See Table 10-G). There was a slight difference of the employment rate between male recipients (24.6 percent) and female recipients (21.9 percent). In closed-case families, 18.8 percent of adults were employed in the month that the case closed, which is about two percentage points higher than in FY 2010.

It is important to note that the employment data presented here is somewhat different from those presented in the "Work Participation Rates" sections of the report. The data presented here represents the labor market status of adult TANF recipients and classifies individuals as employed, not employed, or not in the labor force. Data presented elsewhere displays the type of work activities TANF adults are participating in using additional activity categories.

Figure 10-H

Trend in Employment Rate of TANF Adult Recipients

FY 1992 - FY 2011

	Employment Rate
1992	6.6%
1993	6.9%
1994	8.3%
1995	9.3%
1996	11.3%
1997	13.2%[2]
1998	22.8%
1999	27.6%
2000	26.4%
2001	26.7%
2002	25.3%
2003	22.9%
2004	22.0%
2005	23.2%
2006	21.6%
2007	24.9%
2008	25.9%
2009	23.5%
2010	22.3%
2011	22.3%

[2]Based on AFDC data from the first three quarters of FY 1997

Source: TANF Characteristics Data, Table

XI. Tribal Temporary Assistance for Needy Families (TANF) and Native Employment Works (NEW)

Federally-recognized American Indian Tribes and Alaska Native organizations may elect to operate their own TANF programs to serve eligible families. By the close of FY 2011, 65 Tribal TANF plans were approved to operate on behalf of 298 Tribes and Alaska Native villages and serve the non-reservation area of 122 counties. In FY 2011, Tribal TANF programs served an average monthly caseload of 15,727 families, and grants allocated to the approved programs totaled $181,679,029.

Federally-recognized Tribes and Alaska Native organizations that were Tribal Job Opportunities and Basic Skills Training (JOBS) program grantees under the former AFDC program are eligible to administer Native Employment Works (NEW) grants. NEW program grants support work activities and other employment and training services. During NEW Program Year (PY) 2010-2011 (July 1, 2010 – June 30, 2011), there were 79 NEW grantees.

In addition, 14 Tribal TANF grantees operate discretionary grants for coordination of Tribal TANF and child welfare services to tribal families at risk of child abuse or neglect. These Tribal TANF – Child Welfare Coordination grantees were selected through a competitive process in 2011. The project period for these grants is September 30, 2011 – September 29, 2014.

The Tribal Temporary Assistance for Needy Families Program

Each eligible Tribe or Alaska Native organization that wants to administer its own TANF program must submit a Tribal Family Assistance Plan (TFAP) to HHS for review and approval. Tribes administering their own TANF program have great flexibility in promoting work and the stability and health of families. Tribes define elements of their programs such as: service area, service population (e.g., all Indian families in the service area or only enrolled members of the Tribe), time limits, benefits and services, family composition, eligibility criteria, and work activities and sanctions. Tribes have the ability to establish, through negotiation with HHS, program work participation rate targets and required work hours. Also, they can establish what benefits and services will be available and develop their own strategies for achieving program goals, including how to help recipients move off welfare and become self-sufficient.

Tribes can enter into partnerships with states and local governments to ensure that Tribal families continue to receive the support services necessary to become self-sufficient, such as Supplemental Nutrition Assistance Program and Medicaid.

Figure 11-A displays the number of Tribal TANF Programs from FY 2002 through FY 2011.

Figure 11-A Number of Approved Tribal TANF Plans Fiscal Years 2002-2011	
Fiscal Year	**Number of Plans**
2002	36
2003	40
2004	44
2005	50
2006	52
2007	55
2008	59
2009	63
2010	64
2011	65

Tribal TANF Background Data

Tribal TANF grant amounts are based on (AI/AN) families served under state AFDC programs in FY 1994 in the Tribal grantee's service area. Table 11:1 in the Appendix shows grant amounts allocated to American Indian/Alaska Native (AI/AN) entities for the TANF programs in FY 2011 and NEW programs in PY 2010 – 2011.

Figure 11-B and Appendix Table 11:2 shows the number of (AI/AN) families served by state TANF and Tribal TANF programs from FY 2009 through FY 2011. American Indian/Alaska Native families not served by Tribal TANF programs continue to be served by state TANF programs.

Figure 11-B
American Indian Families Served by State TANF Programs and Tribal TANF Caseloads, FY 2009 – FY 2011

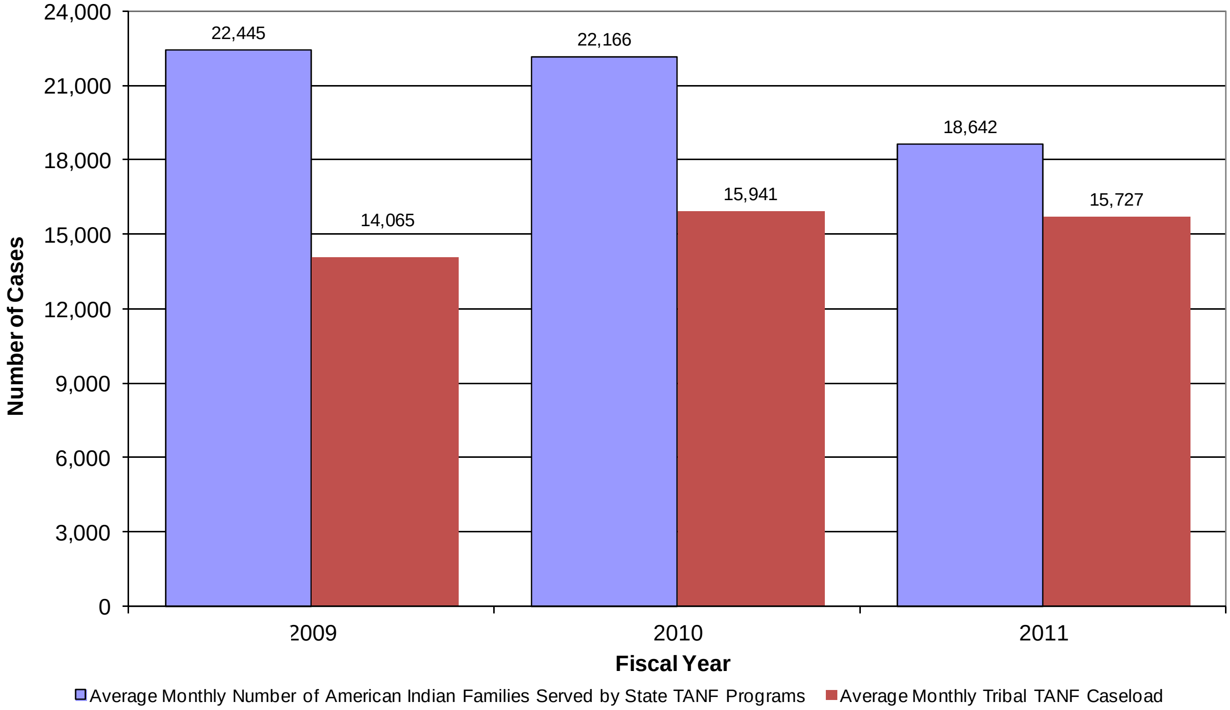
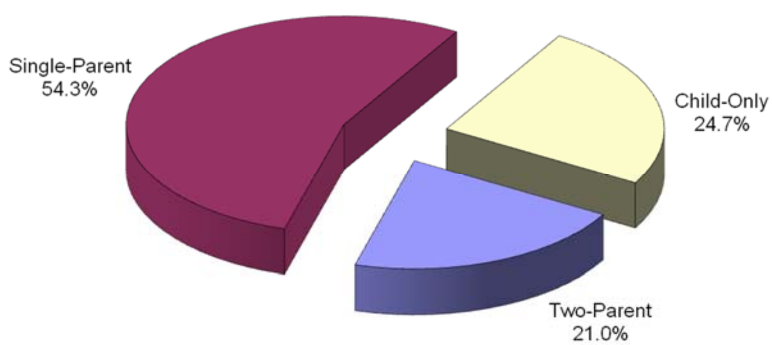


Figure 11-C and Appendix Table 11:3 indicate that of the 15,727 Tribal TANF families reported in FY 2011, 3,878 or 24.7 percent were child-only cases and 3,301 or 21.0 percent were two-parent families. The Tribal TANF caseload has a smaller proportion of child-only cases than the TANF caseload, and a higher proportion of two-parent families.

Figure 11-C
Tribal TANF Families, FY 2011
By Type of Family



Source: Tribal TANF Database

The Native Employment Works Program

The purpose of the NEW program is to make work activities available to grantee service populations. The NEW program complements TANF programs by preparing participants for employment and self-sufficiency, and helping them find unsubsidized employment. While NEW programs are not required to serve TANF participants, the majority of NEW participants are Tribal TANF or state TANF participants. Thus NEW is an important partner with both Tribal and state TANF programs.

The NEW program was authorized by Section 412(a)(2) of the Social Security Act, as amended by PRWORA in 1996. The NEW program began July 1, 1997, replacing the Tribal JOBS program. Federal regulations for the NEW program are found in 45 CFR Part 287.

As of June 30, 2011, there were 79 NEW grantees, 32 of which also operated Tribal TANF programs, with $7,633,287 awarded in funding. NEW programs provide work activities, supportive services, and job retention services to help clients prepare for and obtain permanent, unsubsidized employment.

NEW grantees have the flexibility to design their programs to meet their needs, to select their service population and service area, and to determine the work activities and related services they will provide, consistent with statutory and regulatory requirements. NEW work activities include (but are not limited to):

- Educational activities
- Training and job readiness activities
- Employment activities

NEW Program Year (PY) 2010 - 2011

In PY 2010-2011, 32 of the 79 NEW grantees included their NEW programs in demonstration projects under Pub. L. 102-477, the Indian Employment, Training, and Related Services Demonstration Act of 1992. These grantees reported to the lead agency for Pub. L. 102-477 projects, the Department of the Interior. The remaining NEW grantees reported directly to HHS on their programs.

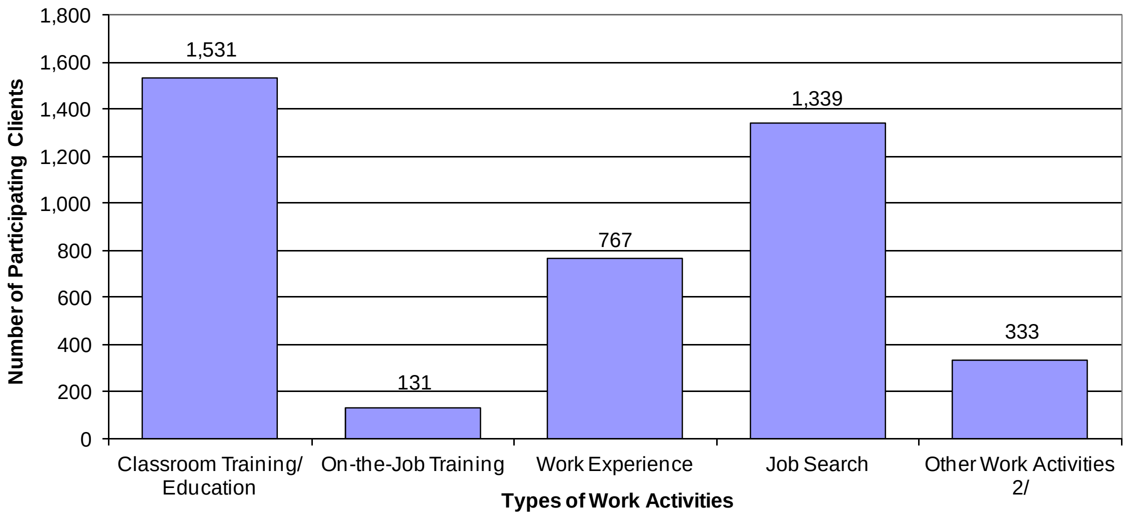
Tables 11:6 through 11:9 in the Appendix contain data reported for PY 2010-2011 by the NEW grantees that did not include their NEW programs in Pub. L. 102-477 projects.

In PY 2010-2011, 47 of the 79 NEW grantees did not include their NEW programs in a Pub. L. 102-477 project. These 47 grantees served a total of 4,005 participants. Of these participants, 2,447 clients were adult females, 1,089 clients were adult males, 311 clients were females under age 21, and 120 clients were males under age 21 (See Appendix Table 11:6).

The majority of NEW program participants also received TANF assistance. In PY 2010-2011, 2,494 NEW participants received TANF cash assistance and/or other TANF services through Tribal or state TANF programs. Of these participants, 718 completed the program by entering into unsubsidized employment.

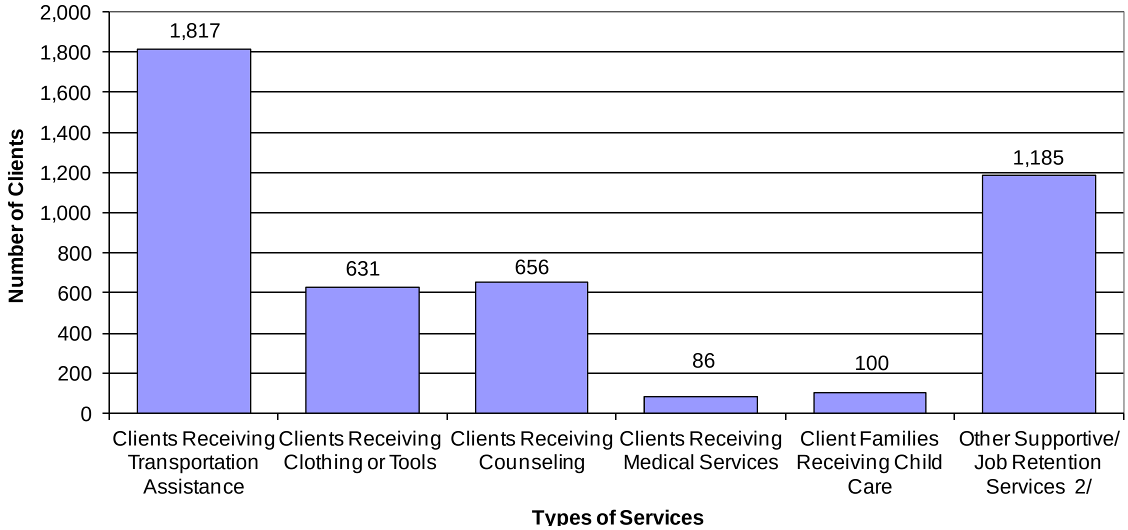
Figures 11-D and 11-E show the number of NEW clients participating in work activities and receiving supportive and job retention services provided by NEW programs in PY 2010-2011, as reported by grantees that did not include their NEW programs in Pub. L. 102-477 projects. Most NEW clients participated in/received more than one NEW program activity or service.

Figure 11-D
NEW Clients Participating in Work Activities
Program Year 2010-2011[1]



Source: Native Employment Works (NEW) grantee program reports
1/Includes data reported to HHS by the 47 grantees that did not include their NEW programs in Pub. L. 102-477 projects in PY 2010 - 2011.
2/ Includes other work activities such as volunteer work, employment seminars, entrepreneurial training, and traditional activities such as hunting and fishing, etc.
Note: Some NEW clients participated in more than one work activity.

Figure 11-E
NEW Clients Receiving Supportive and Job Retention Services
Program Year 2010-2011[1]



Source: Native Employment Works (NEW) grantee program reports
1/Includes data reported to HHS by the 47 grantees that did not include their NEW programs in Pub. L. 102-477 projects in PY 2010 - 2011.
2/ Includes other supportive/job retention services such as work-related expenses including books/educational materials, driver's license fees, etc.
Note: Some NEW clients received more than one supportive or job retention service.

XII. Specific Provisions of State Programs

Each state must submit a state plan to the Secretary that outlines how it intends to conduct a program in all political subdivisions of the state (not necessarily in a uniform manner), provide cash aid to needy families with (or expecting) children, and provide parents with job preparation, work, and support services. States may determine what benefit levels to set and what categories of families are eligible. States have the flexibility to design and operate a program that best matches their residents' needs and helps families gain and maintain self-sufficiency.

Through a series of contracts, ACF has provided resources to facilitate updating and expanding the Welfare Rules Database (WRD). The Urban Institute began developing the WRD in early 1997, as part of the Assessing New Federalism project. The database was conceived as a single location where information on program rules could be researched across states and/or across years, without the need to consult multiple documents, and it was intended to provide a resource for researchers working on both descriptive and quantitative projects. ACF has funded updates to the database, as well as publication of figures summarizing state TANF policies for each year since then. Unless otherwise noted, the information in the following figures is current as of July 2011.

Form of Administration

The chart below (Figure 12-A) outlines how each state administers its TANF program.

Figure 12-A
State TANF Implementation

State	Form of Administration	State or County Discretion	
		Eligibility and Benefits	**Available Services**
Alabama	State	State	State
Alaska	State	State	State
Arizona	State	State	State
Arkansas	State	State	State
California	State Supervised/ County Administered	State	State
Colorado	State Supervised/ County Administered	County	County
Connecticut	State	State	State
Delaware	State	State	State
District of Columbia	State	State	State
Florida	State	State	State
Georgia	State	State	County
Guam	Territory	Territory	Territory
Hawaii	State	State	State
Idaho	State	State	State
Illinois	State	State	State
Indiana	State	State	State
Iowa	State	State	County
Kansas	State	State	County
Kentucky	State	State	State
Louisiana	State	State	State
Maine	State	State	State
Maryland	State	State	County
Massachusetts	State	State	State
Michigan	State	State	State
Minnesota	State Supervised/ County Administered	County	State or County
Mississippi	State	State	State
Missouri	State	State	State
Montana	State	State	State
Nebraska	State	State	State
Nevada	State	State	State
New Hampshire	State	State	State
New Jersey	State Supervised/ County Administered	State	State[1]
New Mexico	State	State	State
New York	State Supervised/ County Administered	State	County
North Carolina	State Supervised/ County Administered	County[1]	County
North Dakota	State Supervised/ County Administered	State	State
Ohio	State Supervised/	State	County

Figure 12-A State TANF Implementation			
		State or County Discretion	
State	Form of Administration	Eligibility and Benefits	Available Services
	County Administered		
Oklahoma	State	State	State
Oregon	State	State	County
Pennsylvania	State	State	State
Puerto Rico	Territory	Territory	Territory
Rhode Island	State	State	State
South Carolina	State	State	State
South Dakota	State	State	State
Tennessee	State	State	State
Texas	State	State	State[1]
Utah	State	State	State
Vermont	State	State	State
Virginia	State Supervised/ County Administered	State	State
Virgin Islands	Territory	Territory	Territory
Washington	State	State	State
West Virginia	State	State	State
Wisconsin	State Supervised/ Locally Administered	State	Other[2]
Wyoming	State	State	State

[1] Services related to cash assistance are at state discretion. However, policies related to all aspects of work activities are established at the state level while Local Workforce Development Boards have discretion over the service delivery approach and the methods and limitations for the provision of work-related expenses.

[2]Wisconsin Works contracts with private for profit, and private not for profit agencies to administer the program.

TANF Assistance Eligibility

Figure 12-B describes states' income eligibility tests for determining whether an applicant can begin receiving assistance. The figure indicates which state income standard is used for each test.

Under the former AFDC program, states developed "need" and "payment" standards to determine eligibility and benefit amounts. These standards generally varied by the size of the assistance unit. The standard of need was the maximum amount of income allowed for a family to be considered "needy," and thus eligible for the program. It was usually based on some estimate of the minimum amount necessary for subsistence. The "payment standard" was the maximum benefit that a state would pay. In the early years of the program, the need and payment standards were the same in many states, but over time the payment standard in most states fell below the need standard, often by significant amounts.

Under TANF, there is no requirement to use a need standard. Therefore, the term "need standard" is not used in Figure 12-B unless the state explicitly uses it to refer to its eligibility standard.

Figure 12-C explains the value of the particular standard for a three-person family. States that impose a net income test generally disregard a portion of the unit's earned income before comparing the income to the state's income standard. These maximum earnings for initial eligibility are captured in Figure 12-D.

For example, in Alabama, a family's net income must be less than 100 percent of the payment standard, which in 2011 was $215 for a family of three. In determining net income, a state could disregard 20 percent of earnings; thus, the maximum income (counting only earnings) eligibility threshold is $269. Subtracting 20 percent, or $54, leaves the $215 eligibility threshold for maximum earnings for an applicant. (In many states, income limits and disregards are different for applicants than recipients.)

Figure 12-B
Income Eligibility Tests for Applicants, July 2011

State	Type of test	Income must be less than
Alabama	Net income	100% of Payment Standard
Alaska	Gross income	185% of Need Standard
	Net income	100% of Need Standard
Arizona	Gross income	185% of Need Standard
	Gross income	100% of Federal Poverty Level
	Net income	100% of Need Standard
Arkansas	Net income	100% of Income Eligibility Standard
California	Net income	100% of Minimum Basic Standard of Adequate Care
Colorado	Gross income	100% of Need Standard
	Net income	100% of Need Standard
Connecticut	Net income	100% of Need Standard
	Unearned income	100% of Payment Standard

Figure 12-B
Income Eligibility Tests for Applicants, July 2011

State	Type of test	Income must be less than
Delaware	Gross income	185% of Standard of Need
	Net income	100% of Payment Standard
District of Columbia	Net income	100% of Payment Level
Florida	Gross income	185% of Federal Poverty Level
	Net income	100% of Payment Standard
Georgia	Gross income	185% of Standard of Need
	Net income	100% of Standard of Need
Hawaii	Gross income	185% of Standard of Need
	Net income	100% of Standard of Assistance
Idaho	No explicit tests	—
Illinois	Net income	100% of Payment Standard
Indiana	Gross income	185% of Need Standard
	Net income	100% of Net Income Standard
Iowa	Gross income	185% of Need Standard
	Net income	100% of Need Standard
Maine	Net income	100% of Budgetary Standards
Louisiana	Net income	100% of Flat Grant Amount
Maine	Gross income	100% of Gross Income Test
Maryland	Net income	100% of Allowable Payment
Massachusetts	Gross income	185% of Need Standard and Payment Standard
	Net income	100% of Need Standard and Payment Standard
Michigan	No explicit tests	—
Minnesota	Net income	100% of Transitional Standard
Mississippi	Gross income	185% of Need Standard and Payment Standard
	Net income	100% of Need Standard and Payment Standard
Missouri	Gross income	185% of Need Standard
	Net income	100% of Need Standard
Montana	Gross income	185% of Net Monthly Income Standard
	Net income	100% of Benefit Standard
Nebraska	No explicit tests	—
Nevada	Gross income	130% of Federal Poverty Level
	Net income	100% of Need Standard
New Hampshire	Net income	100% of Payment Standard
New Jersey[1]	Gross income	150% of Maximum Benefit Payment Schedule
New Mexico	Gross income	85% of Federal Poverty Level
New York	Gross income	185% of Need Standard and 100% of Federal Poverty Level
	Net income	100% of Need Standard
North Carolina	No explicit tests	—
North Dakota	No explicit tests	—
Ohio	Net income	50% of Federal Poverty Level
Oklahoma	Gross income	185% of Need Standard
	Net income	100% of Need Standard
Oregon		
All, except JOBS Plus	Gross income	100% of Countable Income Limit
JOBS Plus	Gross income	100% of Food Stamp Countable Income Limit

Figure 12-B
Income Eligibility Tests for Applicants, July 2011

State	Type of test	Income must be less than
Pennsylvania	Net income	100% of Standard of Need
Rhode Island	No explicit tests	
South Carolina	Gross income	185% of Need Standard
South Dakota	No explicit tests	—
Tennessee	Gross income	185% of Consolidated Need Standard
Texas	Net income	100% of Budgetary Needs Standard[2]
	Net income	100% of Recognizable Needs[3]
Utah	Gross income	185% of Adjusted Standard Needs Budget
	Net income	100% of Adjusted Standard Needs Budget
Vermont	No explicit tests	—
Virginia	Gross income	185% of Standard of Need
	Net income	100% of Standard of Assistance
Washington	Gross earnings	100% of Maximum Gross Earned Income Limit
West Virginia	Gross income	100% of Standard of Need
Wisconsin	Gross income	115% of Federal Poverty Level
Wyoming	No explicit tests	—

Source: Table I.E.1 Income Eligibility Tests for Applicants, July 2011 from the Urban Institute's Welfare Rules Database, funded by HHS/ACF and HHS/ASPE.

Notes: "No explicit tests" indicates that either the state imposes no income tests on applicants or the state imposes an income test, but the calculation of the test and disregards allowed for the test are no different from those used to calculate the benefit. See table II.A.2 for information on benefit computation policies.

See table I.E.3 for information on the value of the standards for a family of three.

[1] In households where the natural or adoptive parent is married to a non-needy stepparent, the gross household income may not exceed 150 percent of the federal poverty level.

[2] Apply only the $120 disregard for this test.

[3] Apply both the $120 disregard and the 33.3 percent disregard for this test.

Figure 12-C
Eligibility Standards, July 2011

State	State name for standard	Amount for family of three
Alabama	Payment standard	$215
Alaska	Need standard	$1,464
Arizona	Need standard	$964
Arkansas	Income eligibility standard	$223
California	Minimum basic standard of adequate care	$1,135
Colorado	Need standard	$421
Connecticut	Federal poverty level	$1,544
	Need standard	$768
	Payment standard	$560
Delaware	2009 federal poverty level	$1,526
	Standard of need	$1,144
	Payment standard	$338
District of Columbia	Standard of assistance	$712
	Payment level	$428
Florida	Federal poverty level	$1,544
	Payment standard	$303
Georgia	Standard of need	$424
Hawaii	Standard of need	$1,590
	Standard of assistance	$763
Idaho	—-	—-
Illinois	Payment standard	$432
Indiana	Federal poverty level	$1,544
	Need standard	$320
	Net income standard	$288
Iowa	Need standard	$849
Kansas	Budgetary standards	$429
Kentucky	Standard of need	$526
Louisiana	Flat grant amount	$240
Maine	Gross income test	$1,023
Maryland	Allowable payment	$574
Massachusetts		
Exempt	Federal poverty level	$1,544
	Need standard and payment standard	$633
Nonexempt	Federal poverty level	$1,544
	Need standard and payment standard	$618
Michigan	—-	—-
Minnesota	Federal poverty level	$1,544
	Transitional standard	$1,005
Mississippi	Need standard and payment standard	$368
Missouri	Need standard	$846
Montana	Net monthly income standard	$529
	Benefit standard	$415
Nebraska	Federal poverty level	$1,544
Nevada	Federal poverty level	$1,544
	Need standard	$1,158

Figure 12-C
Eligibility Standards, July 2011

State	State name for standard	Amount for family of three
New Hampshire	Standard of need	$3,187
	Payment standard	$675
New Jersey	Maximum benefit payment schedule	$424
	Federal poverty level	$1,544
New Mexico	Federal poverty level	$1,544
New York	Federal poverty level	$1,544
	Need standard	$788
North Carolina	—	—
North Dakota	Standard of need	$477
Ohio	Allocation allowance standard	$980
	Federal poverty level	$1,544
Oklahoma	Need standard	$645
Oregon		
All, except JOBS Plus	Countable income limit	$616
	Adjusted income/payment standard	$506
JOBS Plus	Food Stamp countable income limit	$1,984
	Adjusted income/payment standard	$506
Pennsylvania	Standard of need	$587
	Family size allowance	$403
Rhode Island	Cash assistance monthly standard	$554
South Carolina	Need standard	$763
South Dakota	Payment standard	$555
Tennessee	Consolidated need standard	$1,066
Texas	Budgetary needs standard	$751
	Recognizable needs	$188
Utah	Adjusted standard needs budget	$568
Vermont	—	—
Virginia		
VIEW	Standard of need	$322
	Federal poverty level	$1,544
	Standard of assistance	$320
All, except VIEW	Standard of need	$322
	Standard of assistance	$320
Washington	Maximum gross earned income limit	$1,124
	Need standard	$1,763
West Virginia	Standard of need	$991
Wisconsin	Federal poverty level	$1,544
Wyoming	Maximum benefit	$577

Source: Table I.E.3 Eligibility Standards, July 2011 from the Urban Institute's Welfare Rules Database, funded by HHS/ACF and HHS/ASPE.

Notes: The values in this figure represent all standards used during the eligibility process, including those used for grandparent deeming, stepparent deeming, applicant income eligibility tests, and recipient income eligibility tests. See tables I.D.1, I.D.2, I.E.1, and IV.A.4 for more information on how these standards are used. This figure provides information on the standards only; to determine how the standards are applied, see the companion tables listed above. The amounts in the figure are based on the following assumptions about the assistance unit: there is one adult and two children; the children are not subject to a family cap; and the unit has no special needs, pays for shelter, and lives in the most populated area of the state.

Figure 12-D
Maximum Income for Initial Eligibility for a Family of Three, July 2011[1]

State	Maximum earnings an applicant can receive and still be eligible for assistance
Alabama	$269
Alaska	$1,554
Arizona	$585
Arkansas	$279
California	$1,224
Colorado	$421
Connecticut	$880
Delaware	$428
District of Columbia	$588
Florida	$393
Georgia	$514
Hawaii	$1,740 [2]
Idaho	$648
Illinois	$772
Indiana	$378
Iowa	$1,061
Kansas	$519
Kentucky	$908
Louisiana	$359
Maine	$1,023
Maryland	$718
Massachusetts	$708-$723
Michigan	$815
Minnesota	$1,224
Mississippi	$458
Missouri	$557
Montana	$753
Nebraska	$886
Nevada	$1,448
New Hampshire	$844
New Jersey	$636
New Mexico	$883
New York	$878
North Carolina	$681
North Dakota	$1,169
Ohio	$773
Oklahoma	$824
Oregon	$616
Pennsylvania	$677
Rhode Island	$1,277
South Carolina	$1,412
South Dakota	$782
Tennessee	$1,315
Texas	$401
Utah	$668

Figure 12-D
Maximum Income for Initial Eligibility for a Family of Three, July 2011[1]

State	Maximum earnings an applicant can receive and still be eligible for assistance
Vermont	$1,053
Virginia	$540
Washington	$954
West Virginia	$565
Wisconsin	—[3]
Wyoming	$776

Source: Table I.E.4 Maximum Income for Initial Eligibility for a Family of Three, July 2011[1] from the Urban Institute's Welfare Rules Database, funded by HHS/ACF and HHS/ASPE.

Note: Initial eligibility is calculated assuming that the unit is employed at application, has only earned income, has no child care expenses, contains one adult and no children subject to a family cap, has no special needs, pays for shelter, and lives in the most populated area of the state.

[1] The values in this figure represent the maximum amount of earnings an applicant can have and still be technically eligible for assistance in each state. Technical eligibility does not mean that the unit will necessarily receive a cash benefit, but it will have passed all the eligibility tests and is eligible for some positive benefit. Most states only distribute a cash benefit equaling $10 or more.

[2] This threshold applies to units that have received assistance for no more than two months in a lifetime. For units applying for their third and subsequent months of benefits, the eligibility threshold for a family of three is $1,441.

[3] Units with earnings at application will not receive a cash benefit, except for some Community Service Job participants who may qualify for a prorated cash benefit. Applicants may earn up to $1,776 and still be eligible for nonfinancial assistance.

Treatment of Earnings

TANF does not specify how states should treat earnings in calculating TANF benefits. Thus, states have the flexibility to establish rules regarding the treatment of earnings. Most states disregard a portion of a family's earned income when determining benefit levels.

Figure 12-E
Earned Income Disregards for Benefit Computation, July 2011

State	Earned income disregards
Alabama	100% in first 12 months, 20% thereafter[1]
Alaska	$150 and 33% of remainder in first 12 months, $150 and 25% of remainder in months 13–24, $150 and 20% of remainder in months 25–36, $150 and 15% of remainder in months 37–48, $150 and 10% of remainder in months 49–60, $150 thereafter[2]
Arizona	
All, except JOBSTART	$90 and 30% of remainder
JOBSTART	100% of subsidized wages[3]
Arkansas	No disregards–flat grant amount
California	$112 and 50% of remainder
Colorado	66.7% in first 12 months, $120 and 33.3% of remainder in next 4 months, $120 in next 8 months, $90 thereafter
Connecticut	100% up to the federal poverty level
Delaware	$120 and 33.3% of remainder in first 4 months, $120 in next 8 months, $90 thereafter
District of Columbia	$160 and 66.7% of remainder
Florida	$200 and 50% of remainder
Georgia	$120 and 33.3% of remainder in first 4 months, $120 in next 8 months, $90 thereafter
Hawaii	20%, $200, and 55% of remainder in first 24 months; 20%, $200, and 36% of remainder thereafter
Idaho	40%
Illinois	75%
Indiana	75%
Iowa	20% and 58% of remainder
Kansas	$90 and 60% of remainder
Kentucky	100% in first 2 months,[4] $120 and 33.3% of remainder in next 4 months, $120 in next 8 months, $90 thereafter
Louisiana	$1,020 in first 6 months,[5] $120 thereafter
Maine	$108 and 50% of remainder
Maryland	40%
Massachusetts	
Exempt	$120 and 33.3% of remainder
Nonexempt	$120 and 50% of remainder
Michigan	$200 and 20% of remainder
Minnesota	37%
Mississippi	100% in first 6 months, $90 thereafter[6]
Missouri	66.7% and $90 of remainder in first 12 months, $90 thereafter[7]
Montana	$200 and 25% of remainder
Nebraska	20%

Figure 12-E
Earned Income Disregards for Benefit Computation, July 2011

State	Earned income disregards
Nevada	100% in first 3 months, 85% in months 4–6, 75% in months 7–9, 65% in months 10–12, $90 or 20% (whichever is greater) thereafter
New Hampshire	50%
New Jersey	100% in first month, 75% in next 6 months, 50% thereafter[8]
New Mexico	$125 and 50% of remainder[9]
New York	$90 and 48% of remainder
North Carolina	100% in first three months of employment,[10] 27.5% thereafter
North Dakota	$180 or 27% (whichever is greater) and 50% of remainder in first 6 months, $180 or 27% (whichever is greater) and 35% of remainder in months 7–9, $180 or 27% (whichever is greater) and 25% of remainder in months 10–13, $180 or 27% (whichever is greater) thereafter[11]
Ohio	$250 and 50% of remainder
Oklahoma	$240 and 50% of remainder[12]
Oregon	50%
Pennsylvania	50%
Rhode Island	$170 and 50% of remainder
South Carolina	50% in first 4 months,[13] $100 thereafter
South Dakota	$90 and 20% of remainder
Tennessee	$250 [14]
Texas	$120 and 90% of remainder (up to $1,400) for 4 of 12 months, $120 thereafter[15]
Utah	$100 and 50% of remainder
Vermont	$200 and 25% of remainder [16]
Virginia	$142 [17] and 20% of remainder
Washington	50%
West Virginia	40%
Wisconsin	No disregards–flat grant amount
Wyoming	$200 [18]

Source: Table II.A.1 Earned Income Disregards for Benefit Computation, July 2011 from the Urban Institute's Welfare Rules Database, funded by HHS/ACF and HHS/ASPE.
Notes: Only earned income disregards are described in the figure. Child care disregards and other special disregards, such as deductions for units subject to time limits and family caps, are not included.
The figure describes the earned income disregards used to compute a recipient's benefit. If different disregards are used to compute an applicant's benefit in the first month, they are footnoted.
When no duration is specified for the disregards, they remain for the entire period of receipt.
[1] The earned income disregard cannot be applied to the earnings of an individual receiving assistance beyond the 60th month under an extension.
[2] These disregards also apply to applicants who have received assistance in one of the previous four months.
[3] In addition to the 100 percent disregard of all subsidized JOBSTART wages, recipients can disregard the standard $90 and 30 percent of the remainder for any non-JOBSTART earned income.
[4] Recipients are eligible for the one-time 100 percent disregard if they become newly employed or report increased wages acquired after approval.
[5] The six months in which the extra $900 is disregarded need not be consecutive, but the recipient may use this extra disregard in no more than six months over the course of his or her lifetime.

[6] Recipients are eligible for the one-time 100 percent disregard if they find employment of 35 hours a week within 30 days of either their initial approval for TANF or the beginning of job-readiness training. If work is not found, the recipient will never be eligible to receive the disregard again. An additional 100 percent disregard is available to units for three months when the unit's case is subject to closure because of increased earnings and the individual is employed for at least 25 hours a week at the federal minimum wage or higher. The recipient may not have already received the six-month disregard, unless there has been at least a 12-month break in receipt of TANF benefits. The

three-month disregard may be received more than once during the 60-month TANF benefit period, provided there is a period of at least 12 consecutive months in which a family does not receive TANF benefits before the family reapplies for assistance. If a recipient marries for the first time, his or her new spouse may receive a one-time 100 percent disregard for six consecutive months.

[7] These disregards apply only to recipients who become employed while receiving TANF. Applicants and those recipients who gained employment before receiving TANF are allowed to disregard $120 and 33.3 percent of the remainder for the first four months, $120 the next eight months, and $90 thereafter.

[8] These disregards apply to individuals working 20 or more hours a week. Individuals employed fewer than 20 hours a week may disregard 100 percent in the first month of employment and 50 percent thereafter. However, if an individual's hours increase to 20 hours during the first six months, he or she may disregard 75 percent for the remainder of the six-month period. The 100 percent disregard is applicable only once every 12 months, even if employment is lost and then regained.

[9] Two-parent units may disregard $225 and 50 percent of the remainder.

[10] The 100 percent disregard is only available once in a lifetime and may be received only if the recipient is newly employed at a job that is expected to be permanent for more than 20 hours a week.

[11] If a parent marries while receiving assistance, the income of his or her new spouse is disregarded for the first six months. The disregard for the new spouse only applies if his or her needs were not previously included in the unit.

[12] These disregards apply to individuals working full time, defined as 20 hours a week for recipients caring for a child under age 6 and 30 hours a week for all other recipients. Individuals working less than full time may disregard $120 and 50 percent of the remainder.

[13] The 50 percent disregard is available only once in a lifetime and may only be applied to consecutive months.

[14] If a parent marries while receiving assistance, the unit may choose to exclude the new spouse from the unit for three months. At the end of the three-month period, the new spouse becomes a mandatory member of the assistance unit, and his or her income is counted in benefit computation calculations.

[15] Once the recipient has received four months (they need not be consecutive) of the 90 percent disregard, he or she is not eligible to receive the disregard again until the TANF case has been denied and remains denied for one full month and 12 calendar months have passed since the denial. The 12-month ineligibility period begins with the first full month of denial after the client used the fourth month of the 90 percent disregard. The earnings of a TANF recipient's new spouse are disregarded for six months if the total gross income of the budget group does not exceed 200 percent of the federal poverty level.

[16] These disregards apply to recipients with income from unsubsidized employment or a combination of subsidized and unsubsidized employment. For recipients with earnings from subsidized employment only, the disregard is $90.

[17] The disregard varies by family size; for one to three family members, the disregard is $142. For four members, the disregard is $153; for five members, the disregard is $179; and for six or more family members, the disregard is $205.

[18] Married couples with a child in common may disregard $400.

Resource Limits

States have the flexibility to determine whether to use an asset limit for TANF assistance, and if the state has an asset limit, to determine its level and the resources that should count against that limit.

Figure 12-F
Asset Limits for Applicants, July 2011

State	Asset limit	Vehicle exemption
Alabama	No Limit	All vehicles owned by household
Alaska	$2,000/$3,000[1]	All vehicles owned by household[2]
Arizona	$2,000	All vehicles owned by household
Arkansas	$3,000	One vehicle per household
California	$2,000/$3,000[1]	$4,650[F]/one vehicle per licensed driver[3]
Colorado	No Limit	No Limit
Connecticut	$3,000	$9,500[4E]
Delaware	$10,000	All vehicles owned by household
District of Columbia	$2,000/$3,000[1]	All vehicles owned by household
Florida	$2,000	$8,500 [E]
Georgia	$1,000	$1,500/$4,650[5E]
Hawaii	$5,000	All vehicles owned by household
Idaho	$2,000	One vehicle owned by household[6]
Illinois	$2,000/$3,000/+$50[7]	One vehicle per household[8]
Indiana	$1,000	$5,000[E]
Iowa	$2,000	One vehicle per housheold[9]
Kansas	$2,000	All vehicles owned by household
Kentucky	2,000 [10]	All vehicles owned by household
Louisiana	No Limit	All vehicles owned by household
Maine	$2,000	One vehicle per household
Maryland	No Limit	All vehicles owned by household
Massachusetts	$2,500	$10,000[F]/$5,000[11E]
Michigan	$3,000	All vehicles owned by household
Minnesota	$2,000	$15,000[12F]
Mississippi	$2,000 [13]	All vehicles owned by household[14]
Missouri	$1,000	One vehicle per household[15]
Montana	$3,000	One vehicle per household
Nebraska	$4,000/$6,000[16]	One vehicle per household[17]
Nevada	$2,000	One vehicle per household
New Hampshire	$1,000	One vehicle per licensed driver
New Jersey	$2,000	All vehicles owned by household[F]
New Mexico	$3,500 [18]	All vehicles owned by household[19]
New York	$2,000/$3,000[1]	$4,650[F]/$9,300[20F]
North Carolina	$3,000	All vehicles owned by household
North Dakota	$3,000/$6,000/+$25 [21]	One vehicle per household
Ohio	No Limit	All vehicles owned by household
Oklahoma	$1,000	$5,000 [E]
Oregon	$2,500 [22]	$10,000[E]

Figure 12-F
Asset Limits for Applicants, July 2011

State	Asset limit	Vehicle exemption
Pennsylvania	$1,000	One vehicle per household
Rhode Island	$1,000	One vehicle per adult[23]
South Carolina	$2,500	One vehicle per licensed driver[24]
South Dakota	$2,000	One vehicle per household[25]
Tennessee	$2,000	$4,600[E]
Texas	$1,000	$4,650 of all vehicles owned by household[26F]
Utah	$2,000	All vehicles owned by household
Vermont	$2,000	One vehicle per adult
Virginia	No Limit	All vehicles owned by household
Washington	$1,000	$5,000[27E]
West Virginia	$2,000	One vehicle per household
Wisconsin	$2,500	$10,000 [E]
Wyoming	$2,500	One vehicle per household[28]

Source: Table I.C.1 Asset Limits for Applicants, July 2011 from the Urban Institute's Welfare Rules Database, funded by HHS/ACF and HHS/ASPE.
[E] Equity value of the vehicle.
[F] Fair-market value of the vehicle.
Note: Many states have separate policies regarding different types of vehicles, such as income-producing vehicles, recreational vehicles, and vehicles that are used as homes. See the Welfare Rules Database for more information on these policies.
[1] Units including an elderly person may exempt $3,000; all other units exempt $2,000.
[2] Vehicles are exempt if used to meet the family's basic needs such as getting food, medical care, or other essentials; to go to and from work, school, training, or work activity (such as job search or community service); or to transport a disabled family member, whether or not he or she is a part of the assistance unit. If the vehicle does not meet one of these requirements, the equity value of the vehicle is counted in the determination of resources.
[3] Each vehicle must be evaluated for both its equity and fair-market values; the higher of the two values counts against the family's asset limit. Before this calculation, all the following vehicles are completely excluded: (1) is necessary for long-distance travel that is essential for employment; (2) is necessary to transport a physically disabled household member; (3) would be exempt under previously stated exemptions but the vehicle is not in use because of temporary unemployment; (4) used to carry fuel or water to the home and is the primary method of obtaining fuel or water; and (5) the equity value of the vehicle is $1,501 or less. To determine the countable fair-market value of each remaining vehicle, exclude $4,650 from the vehicle's fair-market value. To determine the countable equity value of each remaining vehicle, exclude one additional vehicle per adult and one additional vehicle per licensed child who uses the vehicle to travel to school, employment, or job search. The full equity value of each remaining vehicle is counted. For each vehicle not completely excluded, the higher of the fair-market value or the equity value counts against the family's asset limit.
[4] The unit may exempt up to $9,500 of the vehicle's equity, or the entire value of one vehicle used to transport a handicapped person.
[5] If the vehicle is used to look for work, or to travel to work or education and training, the unit may exclude $4,650 of the value. If the vehicle is not used for these purposes, $1,500 of the equity value is excluded.
[6] The value of one specially equipped vehicle used to transport a disabled family member is also exempt. Also, all vehicles with fair-market values under $1,500 are exempt.
[7] The asset limit is based on unit size: one person receives $2,000, two people receive $3,000, and three or more people receive $3,000 plus $50 for every additional person.
[8] If a vehicle has special equipment for the disabled, the added value of the special equipment is exempt and does not increase the vehicle's value. When there is more than one vehicle, the equity value of the vehicle of greater value is exempt.

[9] Additionally, $4,658 of the equity value of an additional vehicle is exempt for each adult and working teenager whose resources must be considered in determining eligibility.
[10] Only liquid resources are considered for eligibility determinations. Liquid resources include cash, checking and savings accounts, CDs, stocks and bonds, and money market accounts.
[11] The state compares the value of the vehicle to two standards: $10,000 of the fair-market value and $5,000 of the equity value. If the value of the vehicle exceeds either limit, the excess counts toward the asset limit; if the value of the vehicle exceeds both limits, only the excess of the greater amount counts toward the asset limit.
[12] The amount is the loan value of the vehicle with the highest loan value, which has not already been totally excluded under the following provisions: (1) exclude all motor vehicles essential to operating a self-employment business; (2) exclude any vehicle used as the unit's home; (3) exclude one vehicle per physically disabled person needed to transport the disabled unit member; (4) exclude the value of special equipment added to a vehicle for a handicapped member of the assistance unit; (5) exclude any vehicle used for certain long-distance traveling for the employment of a unit member; and (6) exclude any vehicle if at least 50 percent of its use is to produce income. $7,500 of the loan value of additional vehicles is also exempt. Minnesota uses the loan value of the vehicle as listed in the current NADA Used Car Guide, Midwest edition instead of the fair-market value. The loan value is generally slightly less than the estimated fair-market value.
[13] If the unit is considered broad-based categorically eligible, it is not subject to asset limits.
[14] Determination of whether to count a vehicle is made case by case.
[15] $1,500 of the equity value of the unit's second vehicle is exempt.
[16] The asset limit is based on unit size: one person receives $4,000, and two or more people receive $6,000.
[17] The entire vehicle is exempt only if used for employment, training, or medical transportation. If a unit has more than one vehicle that meets the exemption criteria, only the vehicle with the greatest equity value will be exempt.
[18] The total limit is $3,500, but only $1,500 of that amount can be in liquid resources and only $2,000 can be in nonliquid resources.
[19] The entire vehicle is exempt only if used for transportation to work, work activities, or daily living requirements. If the vehicle is not used for these purposes, the entire equity value of the vehicle is subject to the asset test.
[20] If the vehicle is needed to seek or retain employment, $9,300 of the vehicle is exempt. Otherwise, $4,650 of the fair-market value is exempt.
[21] The asset limit is based on unit size: one person receives $3,000, two people receive $6,000, and another $25 is allowed for each additional person thereafter.
[22] There is more than one phase of the application process in Oregon. The asset limit for applicants first applying for TANF is $2,500. If the applicant makes it through the first stage of application, he or she must participate in the assessment program in which he or she is assessed and given a case plan to follow. If the applicant does not follow the case plan, he or she maintains the $2,500 asset limit as long as he or she is in the assessment program. If the applicant complies with the case plan, he or she is allowed a $10,000 asset limit.
[23] Exemptions for adult drivers cannot exceed two vehicles per household. Additionally, the entire value of a vehicle used primarily to provide transportation for a disabled family member is exempt.
[24] Vehicles owned by or used to transport disabled individuals or that are essential to self-employment are also exempt.
[25] In addition to one primary vehicle, an assistance unit may totally exclude a vehicle used to transport water or fuel to the home when it is not piped in or to transport a disabled member or SSI recipient in the household. The assistance unit may also exclude $4,650 of the fair-market value of a vehicle used to transport members of the unit for education or employment.
[26] All licensed vehicles used for transporting a disabled household member are exempt.
[27] The entire equity value of a vehicle used to transport a disabled household member is also exempt.
[28] This exemption applies to a single-parent unit. Two vehicles are exempt for a married couple.

Benefits

States are free to set the benefit levels that apply under their TANF assistance programs. State benefit levels for a family of three with no other income are shown below in Figure 12-G for the years 1996, 2001, 2006, and 2011.

Figure 12-G
Maximum Monthly Benefit for a Family of Three with No Income, 1996-2011 (July)

State	1996	2001	2006	2011
Alabama	$164	$164	**$215**	$215
Alaska	$923	$923	$923	$923
Arizona	$347	$347	$347	**$278**
Arkansas	$204	$204	$204	$204
California	$596			
Nonexempt	—	**$645**	**$704**	**$638**
Exempt	—	**$720**	**$786**	**$714**
Colorado	$356	$356	$356	**$462**
Connecticut	$543	$543	$543	**$576**
Delaware	$338	$338	$338	$338
District of Columbia	$415	**$379**	**$407**	**$428**
Florida	$303	$303	$303	$303
Georgia	$280	$280	$280	$280
Hawaii	$712	**$570** [1]	$570 [1]	**$610** [2]
Idaho	$317	**$293**	**$309**	$309
Illinois	$377	$377	**$396**	**$432**
Indiana	$288	$288	$288	$288
Iowa	$426	$426	$426	$426
Kansas	$429	$429	$429	$429
Kentucky	$262	$262	$262	$262
Louisiana	$190	**$240**	$240	$240
Maine	$418	**$461**	**$485**	$485
Maryland	$373	**$439**	**$490**	**$574**
Massachusetts				
Exempt	$579	**$633**	$633	$633
Nonexempt	$565	**$618**	$618	$618
Michigan	$459	**$459** [3]	**$489** [3]	**$492**
Minnesota	$532	$532	$532	$532
Mississippi	$120	**$170**	$170	$170
Missouri	$292	$292	$292	$292
Montana	$425	**$494**	**$442**	**$504**
Nebraska	$364	$364	$364	$364
Nevada	$348	$348	$348	**$383**
New Hampshire	$550	**$600**	**$625**	**$675**
New Jersey	$424	$424	$424	$424
New Mexico	$389	**$389**	$389	**$313**
New York	$577	$577	**$691**	**$788**
North Carolina	$272	$272	$272	$272
North Dakota	$431	**$477**	$477	**$427**
Ohio	$341	**$373**	**$410**	**$434**

Figure 12-G Maximum Monthly Benefit for a Family of Three with No Income, 1996-2011 (July)				
State	**1996**	**2001**	**2006**	**2011**
Oklahoma	$307	**$292**	$292	$292
Oregon	$460	**$503**	**$514**	**$549**
Pennsylvania	$403	$403	$403	$403
Rhode Island	$554	$554	$554	$554
South Carolina	$200	**$203**	**$240**	**$216**
South Dakota	$430	$430	**$508**	**$555**
Tennessee	$185	**$185** [4]	$185 [4]	$185 [4]
Texas	$188	**$201**	**$223**	**$260**
Utah	$426	**$474**	$474	**$498**
Vermont	$597	**$629**	**$640**	$640
Virginia	$291	**$320**	$320	$320
Washington	$546	$546	$546	**$478**
West Virginia	$253	**$453**	**$340**	$340
Wisconsin	$518			
W-2 Transition	—	**$628**	$628	$628
Community Service Jobs	—	**$673**	$673	$673
Trial Jobs/Unsubsidized Employment	—	**—**[5]	**—**[5]	**—**[5]
Wyoming	$360	**$340**	$340	**$577**
Mean[6]	**$394**	**$409**	**$417**	**$436**
Median[6]	**$377**	**$389**	**$396**	**$429**

Source: Table L5 Maximum Monthly Benefit for a Family of Three with No Income, 1996-2011 (July) from the Urban Institute's Welfare Rules Database, funded by HHS/ACF and HHS/ASPE.

Note: Maximum benefits are calculated assuming that the unit contains one adult and two children who are not subject to a family cap, has no special needs, pays for shelter, and lives in the most populated area of the state.

[1] Applies to units that have received assistance for two or more months in a lifetime. For units applying for their first or second months of benefits, the maximum monthly benefit for a family of three is $712.

[2] Applies to units that have received assistance for two or more months in a lifetime. For units applying for their first or second months of benefits, the maximum monthly benefit for a family of three is $763.

[3] Applies to units that have at least one employable adult. For units where all adults either receive SSI or are exempt from work requirements for reasons other than caring for a child under three months old, the maximum monthly benefit for a family of three is $477.

[4] For units where the caretaker is over 60, disabled, caring full-time for a disabled family member, or excluded from the assistance unit, the maximum monthly benefit for a family of three is $232.

[5] The benefits in these components are based on the wages earned by individual recipients.

[6] The calculations only include one value per state (the policy affecting the largest percent of the caseload).

Figure 12-H provides the same information from the Welfare Rules Database regarding state benefit levels for a family of three with no other income, but uses data from the Bureau of Labor Statistics (BLS) and ACF calculations to provide all amounts in 2011 dollars.

Figure 12-H
Maximum Monthly Benefit for a Family of Three with No Income, 1996-2011 (in 2011 dollars)

State	1996	2001	2006	2011
Alabama	$235	$208	$241	$215
Alaska	$1,320	$1,172	$1,034	$923
Arizona	$496	$441	$389	**$278**
Arkansas	$292	$259	$228	$204
California	$852			
Nonexempt	—	$819	$788	**$638**
Exempt	—	$914	$880	**$714**
Colorado	$509	$452	$399	**$462**
Connecticut	$776	$690	$608	**$576**
Delaware	$483	$429	$379	$338
District of Columbia	$593	$481	$456	**$428**
Florida	$433	$385	$339	$303
Georgia	$400	$356	$314	$280
Hawaii	$1,018	$724[1]	$638[1]	**$610** [2]
Idaho	$453	$372	$346	$309
Illinois	$539	$479	$444	**$432**
Indiana	$412	$366	$323	$288
Iowa	$609	$541	$477	$426
Kansas	$613	$545	$480	$429
Kentucky	$375	$333	$293	$262
Louisiana	$272	$305	$269	$240
Maine	$598	$585	$543	$485
Maryland	$533	$558	$549	**$574**
Massachusetts				
Exempt	$828	$804	$709	$633
Nonexempt	$808	$785	$692	$618
Michigan	$656	$583[3]	$548[3]	**$492**
Minnesota	$761	$676	$596	$532
Mississippi	$172	$216	$190	$170
Missouri	$418	$371	$327	$292
Montana	$608	$627	$495	**$504**
Nebraska	$521	$462	$408	$364
Nevada	$498	$442	$390	**$383**
New Hampshire	$787	$762	$700	**$675**
New Jersey	$606	$538	$475	$424
New Mexico	$556	$494	$436	**$313**
New York	$825	$733	$774	**$788**
North Carolina	$389	$345	$305	$272
North Dakota	$616	$606	$534	**$427**
Ohio	$488	$474	$459	**$434**

Figure 12-H
Maximum Monthly Benefit for a Family of Three with No Income, 1996-2011 (July)

State	1996	2001	2006	2011
Oklahoma	$439	$371	$327	$292
Oregon	$658	$639	$576	**$549**
Pennsylvania	$576	$512	$451	$403
Rhode Island	$792	$704	$620	$554
South Carolina	$286	$258	$269	**$216**
South Dakota	$615	$546	$569	**$555**
Tennessee	$265	$235	$207	$185
Texas	$269	$255	$250	**$260**
Utah	$609	$602	$531	**$498**
Vermont	$854	$799	$717	$640
Virginia	$416	$406	$358	$320
Washington	$781	$693	$612	**$478**
West Virginia	$362	$575	$381	$340
Wisconsin	$741			
W-2 Transition	—	$798	$703	$628
Community Service Jobs	—	$855	$754	$673
Wyoming	$515	$432	$381	**$577**

Source: Table L5 Maximum Monthly Benefit for a Family of Three with No Income, 1996-2011 (July) from the Urban Institute's Welfare Rules Database, funded by HHS/ACF and HHS/ASPE, and ACF calculations based on BLS data.

Note: Maximum benefits are calculated assuming that the unit contains one adult and two children who are not subject to a family cap, has no special needs, pays for shelter, and lives in the most populated area of the state.

[1] Applies to units that have received assistance for two or more months in a lifetime.

[2] Applies to units that have received assistance for two or more months in a lifetime.

[3] Applies to units that have at least one employable adult.

Diversion Payments

The majority of states offer applicant diversion assistance to families as an alternative to ongoing TANF assistance. Generally, this assistance comes in the form of benefit payments designed to provide short-term financial assistance to meet critical needs in order to secure or retain employment.

Typically, states provide several months of benefits in one lump sum. A few states provide a flat amount. By accepting the diversion payment, the family generally agrees not to re-apply for cash assistance for a specified period of time, e.g., receipt of a diversion payment equal to three months of benefits results in a family agreeing to not re-apply for benefits for three months. A number of diversion programs provide applicants with job search services, other services, and/or referral to alternative assistance programs. (Figure 12-I highlights what TANF diversion programs the states administer).

Figure 12-I
Formal Diversion Payments, July 2011

State	Diversion program	Maximum diversion payment[1]	Form of payment	How often recipient can receive maximum payment	Period of TANF ineligibility without penalty after payment	Payment counts toward the time limit
Alabama	No	—	—	—	—	—
Alaska	Yes	3 months	Vendor or cash payment	Four times in a lifetime but no more than once every 12 months	3 months[2]	No
Arizona	Yes[3]	3 months	Cash payment	Once per 4 months but no more than twice in a calendar year	3 months[4]	No
Arkansas	Yes	3 months	Cash loan[5]	Once in a lifetime	100 days	No[5]
California[6]	Yes	Varies[7]	Vendor or cash payment or services	As often as needed, up to maximums[8]	Immediately eligible	Varies[9]
Colorado[10]	Yes	Varies[11]	Vendor or cash payment	Three times in a lifetime but no more than twice every 12 months	Determined by Denver County[12]	No
Connecticut	Yes	3 months	Cash payment	Three times in a lifetime but no more than once every 12 months	3 months	Yes
Delaware	Yes[13]	$1,500	Vendor payment	Once every 12 months	Varies[14]	No

Figure 12-I
Formal Diversion Payments, July 2011

State	Diversion program	Maximum diversion payment[1]	Form of payment	How often recipient can receive maximum payment	Period of TANF ineligibility without penalty after payment	Payment counts toward the time limit
D.C.	Yes	3 months	Vendor or cash payment	Once every 12 months	Diversion payment divided by the monthly benefit the unit would receive	No
Florida	Yes[15]	Varies[15]	Cash payment	Varies[15]	Varies[15]	Varies[15]
Georgia	No	—	—	—	—	—
Hawaii	No	—	—	—	—	—
Idaho	Yes	3 months[16]	Cash payment	Once in a lifetime	Twice the number of months included in the payment	Yes
Illinois	Yes[17]	*	Cash payment	*	*	No
Indiana	No	—	—	—	—	—
Iowa	No	—	—	—	—	—
Kansas	No	—	—	—	—	—
Kentucky	Yes	$1,300	Vendor payment	Twice in a lifetime but no more than once in 24 months	12 months	No
Louisiana	No[18]	—	—	—	—	—
Maine	Yes[19]	3 months	Vendor payment	Once every 12 months	3 months[20]	No
Maryland	Yes	3 months	Vendor or cash payment	As often as needed	The number of months included in the payment	No
Massachusetts	No	—	—	—	—	—
Michigan	Yes[21]	3 months	Cash payment	Once every 12 months	4 months[22]	No
Minnesota	Yes[23]	Varies[24]	Vendor and cash payment	Once every 12 months	4 months[25]	No
Mississippi	No	—	—	—	—	—
Missouri	No	—	—	—	—	—
Montana	No	—	—	—	—	—
Nebraska	No	—	—	—	—	—
Nevada	No	—	—	—	—	—
New Hampshire	No	—	—	—	—	—
New Jersey	Yes[26]	$1,550 [27]	Cash payment	As often as needed[27]	Immediately eligible[28]	No
New Mexico	Yes[29]	$2,500 [30]	Cash payment	Twice in 60 months	12 months[31]	No
New York	Yes[32]	Varies[33]	Vendor or cash payment[3]	Once in a lifetime	Immediately eligible	No

Figure 12-I
Formal Diversion Payments, July 2011

State	Diversion program	Maximum diversion payment[1]	Form of payment	How often recipient can receive maximum payment	Period of TANF ineligibility without penalty after payment	Payment counts toward the time limit
North Carolina	Yes	3 months	Cash payment	Once every 12 months	Immediately eligible	No
North Dakota	Yes[34]	$1,720 [35]	Vendor or cash payment	Four out of every 12 months	Immediately eligible	No
Ohio	No	—	—	—	—	—
Oklahoma	No[36]	—	—	—	—	—
Oregon	No	—	—	—	—	—
Pennsylvania[37]	Yes[38]	3 months	Cash payment	Once every 12 months	12 months[39]	No
Rhode Island	No	—	—	—	—	—
South Carolina	No	—	—	—	—	—
South Dakota	Yes	2 months	Vendor or cash payment	As often as needed[40]	3 months[4]	No
Tennessee	Yes[41]	$1,200	Cash payment	Once in a lifetime	12 months[42]	No
Texas	Yes[43]	$1,000	Cash payment	Once every 12 months	12 months	No
Utah	Yes	3 months	Cash payment	As often as needed	3 months[4]	No
Vermont	Yes[44]	4 months	Cash payment	Once (one 4-month period) every 12 months	Immediately eligible	No
Virginia	Yes	4 months	Vendor or cash payment	Once every 12 months	160 days	No
Washington	Yes	$1,500	Vendor or cash Payment	Once every 12 months	12 months[45]	No
West Virginia	Yes	3 months	Cash payment	Once in a lifetime	3 months	No[46]
Wisconsin	Yes[47]	$1,600	Cash loan	Once every 12 months[48]	Immediately eligible	No
Wyoming	No	—	—	—	—	—

Source: Table I.A.1 Formal Diversion Payments, July 2011 from the Urban Institute's Welfare Rules Database, funded by HHS/ACF and HHS/ASPE.

[*] Data not obtained.

[1] The maximum diversion payment is either a flat payment, regardless of the family's size and the state's maximum benefit (represented in the figure by a dollar amount), or a multiple of the maximum benefit the family would have received if it were receiving monthly TANF benefits (represented in the figure by a number of months of benefits the family could receive). If the state provides diversion payments based on a multiple of the maximum benefit, the amount will vary by the family size and the generosity of the state's maximum benefits.

[2] If a family applies for assistance during the three-month ineligibility period, the entire amount of the diversion payment is treated as unearned income to the family. The diversion payment is prorated equally over the three-month period, and the prorated amount is counted as monthly income.
[3] To be eligible, applicants must meet all eligibility requirements and be eligible for at least $1 in cash assistance benefits in the application month or next two months. Applicants are ineligible if they have received cash assistance in the month of application, have an open cash assistance sanction, or are employed but on leave of absence.
[4] If the unit applies for benefits during the three-month ineligibility period, the payment will be prorated over a three-month period and the amount will be deducted from the unit's monthly assistance payment.
[5] The diversion payment is considered a loan; therefore, the recipient must pay back any amount borrowed. Any amount paid back will not count toward the time limit.
[6] Counties have the option to vary their diversion programs. These policies refer to Los Angeles County.
[7] The maximum diversion cash payment is the greater of $2,000 or three times the maximum aid payment for the family size. In cases where an applicant has a one-time expense that exceeds the standard maximum diversion payment, payments up to $4,000 may be issued if necessary to retain self-sufficiency. Recipients may receive only $4,000 or three times the maximum aid payment for the family, whichever is greater, annually, and no more than $10,000 in a lifetime.
[8] Diversion payments may be made as often as needed, up to a maximum annual amount of the greater of $4,000 or (3 months * maximum aid payment) and a maximum lifetime amount of $10,000.
[9] If the unit applies for monthly TANF benefits after the diversion period (diversion amount divided by the maximum aid payment) ends, the state counts one month toward the time limit. If the unit applies during the diversion period, it can choose to count the diversion payment toward the time limit or to repay the diversion amount at a rate of 10 percent of the monthly benefit each month until the diversion is repaid. The number of months counted toward the 48-month time limit is calculated by dividing the total diversion payment by the maximum aid payment for the apparently eligible assistance unit at the time the diversion payment was made. The month(s) resulting from the calculation less any partial month, is (are) counted toward the 48-month time limit.
[10] Counties have the option to vary their diversion programs. These policies refer to Denver County.
[11] The amount of the payment is determined case by case. If assistance greater than $1,500 is requested, it must be approved by a designated staffing team.
[12] The period of ineligibility is determined by Denver County but can be no more than four consecutive calendar months. The client may apply for the diversion assistance during the period of ineligibility and it may be approved if circumstances beyond his or her control exist. Such circumstances include, but are not limited to, serious or terminal illness of an immediate family member, natural disaster such as fire or flood, child protection case involvement with activities that are incompatible with the individual responsibility contract, a lack of child care, job layoff, domestic violence, homelessness, and severe mental or physical disabilities.
[13] The program is related to retaining or obtaining employment and is only for parents living with natural or adopted children.
[14] The period of ineligibility depends on the amount of the diversion payment. Units receiving $1–$500.99 are ineligible for one month, units receiving $501–$1,000.99 are ineligible for two months, and units receiving $1,001–$1,500 are ineligible for three months.
[15] Florida has three separate diversion programs. An assistance unit may receive a one-time payment of up to $1,000 in up-front diversion or cash severance diversion, or up to the amount needed to relocate in relocation assistance. The unit is ineligible to receive assistance for three months after receiving up-front diversion and for six months after receiving relocation assistance or cash severance diversion. Up-front assistance is for individuals in need of assistance owing to unexpected circumstances or emergency situations. Relocation assistance is available for individuals who reside in an area with limited employment opportunities and experience one of the following: geographic isolation, formidable transportation barriers, isolation from extended family, or domestic violence that threatens the ability of a parent to maintain self-sufficiency. Cash severance diversion is available to TANF recipients if they meet the following criteria: are employed and receiving earnings, are able to verify their earnings, will remain employed for at least six months, have received cash assistance for at least six consecutive months since October 1996, and are eligible for at least one more month of TANF. Up-front diversion and relocation assistance do not count toward time limits. Cash severance diversion does not count toward time limits if the payment is made in a month in which the unit also receives a TANF payment. If the payment is made in a month in which the unit does not receive a TANF payment, the cash severance diversion payment counts as a month toward the time limit.
[16] All the unit's income is disregarded for benefit computation, so it will always receive three times the maximum benefit.

[17] An applicant who has found a job that will make him or her ineligible for cash assistance, or who wants to accept a job and withdraw his or her application for assistance, is eligible for a one-time payment to begin or maintain employment.
[18] Although it still exists in the law, Louisiana's diversion program has not received funding since September 2002. According to the legislation authorizing the program, a recipient can receive a cash payment worth up to four months of TANF benefits and is subsequently ineligible for TANF for four months without a penalty after receiving diversion. An individual can receive diversion payments twice in a lifetime, but no more than once every 12 months.
[19] To be eligible, applicants must be employed or looking for employment.
[20] Units that apply for benefits during the three-month ineligibility period must repay any diversion payment received for any period that was covered by both diversion and TANF.
[21] To receive diversion assistance, applicants must meet eligibility criteria for cash assistance in the application month or the following month, except participation in required work activities. The program targets families who are normally self-sufficient, have not received cash or diversion assistance payments from any state in the last 12 months, expect to need assistance only for a short time, and are able to return to self-sufficiency without further assistance. Decisions about diversion eligibility criteria are made case by case.
[22] If the family applies for TANF assistance during the four-month period of ineligibility, the diversion payment is treated as a loan and the family is obligated to repay the entire amount.
[23] Minnesota's four-month Diversionary Work Program (DWP) is mandatory for all TANF applicants, unless exempt. Recipients receive financial assistance and must participate in four months of intensive employment services focused on helping the participant obtain an unsubsidized job before entering regular TANF. Failure to comply with the employment services, which may include a structured job search, results in ineligibility for both DWP and TANF until compliance. After completing the four-month program, participants still requiring assistance may apply for TANF as applicants. See table I.A.2 for more information.
[24] DWP benefits are provided monthly and are equal to the difference between the unit's countable income and the sum of its actual housing costs, utility costs, $35 a month for telephone services, and up to $70 per unit member for personal needs. The total monthly grant amount cannot exceed the cash portion of the TANF transitional standard (see table II.A.3). DWP recipients are eligible to receive SNAP benefits in addition to their diversion benefits (unlike the TANF calculation, which combines the cash and SNAP benefits; see table II.A.2 for more details on the combined SNAP and TANF benefit). The unit is not required to assign child support payments over to the state while participating in DWP.
[25] The unit may apply for TANF at the completion of the four-month diversion program. If a unit applies for TANF any time within 12 months of receiving either TANF or DWP assistance, it moves directly into TANF and is not eligible to participate in diversion.
[26] New Jersey's diversion program, the Early Employment Initiative (EEI), is mandatory for applicants who have a work history that equals or exceeds four months of full-time employment in the past 12 months, appear to meet TANF eligibility requirements, are not in immediate need, and do not meet criteria for a deferral from work requirements. Participants receive a one-time lump-sum payment and are required to pursue an intensive job search for 15 to 30 days while their application is processed. If participants obtain employment and withdraw their applications, they are eligible to receive a second lump-sum payment to assist in the transition to employment. If no employment is secured, the applicant is referred back to the WFNJ/TANF agency for cash assistance. See table I.A.2 for more information.
[27] The maximum amount a family would receive is relative to the number of people in the unit. The amount included in the figure is for a unit of eight or more people. The maximum diversion payment for a family of three is $750. If the agency feels an individual may benefit, he or she may be considered suitable for repeated participation in EEI when determining subsequent eligibility for the program.
[28] If a participant is unable to find a job through the diversion program or loses employment and reapplies for TANF benefits within 60 days of the original application, TANF benefits will be retroactive to the date of application. Any lump sum payment received under EEI is prorated from the date of the original application to the date of the reactivation and subtracted from the monthly grant amount for which the assistance unit is eligible. If this lump sum exceeds the family's monthly grant amount, the excess is counted as unearned income when calculating the monthly assistance benefits for any subsequent month. If the applicant loses his or her employment after 60 days from the application date, the family will need to reapply for TANF.
[29] The diversion payment is only available to help applicants keep a job, accept a bona fide offer of employment, or remedy an emergency situation or unexpected short-term need.
[30] The grant amount is $1,500 for a family of one to three people and $2,500 for a family of four or more.

[31] Units may apply for assistance after only four months of ineligibility if they can demonstrate good cause. Good cause may include loss of employment not due to voluntarily quitting, catastrophic illness or accident of a family member that requires an employed participant to leave employment, being a victim of domestic violence, or another condition that renders an employed family member unable to care for the basic needs of the family.
[32] New York has three types of diversion payments: diversion payments (for crisis needs such as moving expenses, storage fees, or household structural or equipment repairs), diversion transportation payments (for employment-related transportation expenses), and diversion rental payments (for rental housing).
[33] The type and amount of the payment is determined case by case and is dependent upon the needs of the applicant.
[34] Eligible individuals include cash assistance applicants or reapplicants who meet eligibility criteria for cash assistance, but are deemed unable to meet the work requirements.
[35] Maximum diversion payments vary by the activity and supportive services for which the individual uses the payment. Cash payment for emergency needs is limited to $430 a month for up to four months. Additional supportive services can include $1,000 for the cost of books, tuition, and fees associated with a work activity; $500 for moving expenses related to a job offer or for vehicle repairs; $250 for employment-related clothing; and $150 for tools or equipment required for employment.
[36] Oklahoma’s diversion program only operates when funding is available; the program has not received funding since June 2011. According to the legislation authorizing the program, recipients can receive a vendor payment worth up to three months of TANF benefits and are subsequently ineligible for TANF for twelve months without a penalty after receiving diversion. The diversion payment is only available to assist individuals in keeping a job or accepting a bona fide offer of employment, and individuals can only receive one payment in a lifetime.
[37] In addition to the program listed in the figure, Pennsylvania operates a mandatory non-assistance diversion program for job-ready applicants. Families participating in this program receive benefits and services equivalent to what they would receive from TANF. Families may remain in the program for up to four months in a 12-month period. Families who require assistance after four months can enroll in TANF. See table I.A.2 for more information.
[38] To be eligible for a diversion payment, applicants must be currently employed or have received income from employment within 90 days of applying.
[39] If the family applies for and receives benefits during the ineligibility period, benefits are reduced by 5 percent each month until any overpayment is recouped.
[40] South Dakota has no formal limit on the number of payments a unit may receive, but a state source reports that it is unlikely that an assistance unit would receive a diversion payment more than once every 12 months.
[41] To be eligible, the applicant must have an identifiable one-time financial need, have been a resident of Tennessee for six months, have not received cash assistance in any state in the past two years, have never received a diversion payment in any state, have no identifiable barriers to employment, have a high school diploma or GED, and either be currently employed or have been steadily employed in six of the last 12 months, with at least three being consecutive. In two-parent units, both parents must meet the eligibility criteria to qualify for a diversion payment.
[42] Recipients of diversion payments who require emergency assistance may be eligible to apply for cash assistance during the ineligibility period if they meet certain criteria.
[43] To qualify for the state's diversion program, the assistance unit must meet one of the crisis criteria including (1) the caretaker or second parent lost employment in the process month, application month, or two months before application; (2) a dependent child experienced a loss of financial support from the legal parent or stepparent within the past 12 months as a result of death, divorce, separation, abandonment, or termination of child support and the caretaker was employed within 12 months of the application or process month; (3) the caretaker or second parent graduated from a university, college, junior college, or technical training school within 12 months of the application or process month and was underemployed or unemployed; or (4) the caretaker and/or second parent is currently employed but still meets TANF requirements and is facing the loss or potential loss of transportation and/or shelter or has a medical emergency temporarily preventing him/her from continuing to work. If the unit is sanctioned and fails to demonstrate cooperation within the allowed period or is not eligible for a TANF grant of at least $10, the unit is ineligible for diversion assistance.
[44] To be eligible for diversion assistance, an applicant family must meet cash assistance financial eligibility and diversion eligibility criteria, and, if it has no members who are mandatory applicants, must choose to participate in the diversion program. Families who meet the following criteria are mandatory applicants: at least one member of the family is work eligible, work-eligible individuals in the family are neither disregarded from nor meeting their cash assistance work requirement, none of the work-eligible individuals has received a diversion assistance payment in the 12 months before the application month, and at least one work-eligible adult is a single parent, caretaker, an able-to-work adult, or a noncaretaker adult.

[45] If the unit applies for benefits during the 12-month ineligibility period, the diversion payment becomes a loan. The amount of the loan is calculated by dividing the diversion payment by 12 and multiplying the quotient by the number of months remaining of the 12-month period since the diversion payment was received. The unit's monthly benefit is decreased by 5 percent each month until the loan is repaid.
[46] For units that received diversion assistance before July 2000, three months are counted toward the lifetime limit.
[47] The diversion payment is considered a loan to assist with expenses related to obtaining or maintaining employment, and it must be repaid. Repayments are expected within 12 months but may be extended to 24 months. The loan may be paid back in cash or through a combination of cash and volunteer community service (valued at the higher of the state or federal minimum wage).
[48] The caseworker may issue loans for between $25 and $1,600. In a 12-month period, a unit may receive several loans, but it may not receive more than $1,600 in total loans or have an outstanding loan balance of more than $1,600.

Time Limiting Assistance

States generally may not use federal funds to provide assistance to a family that includes an adult head-of-household or a spouse of the head-of-household who has received assistance for 60 months (whether or not consecutive). However, states may extend federally-funded assistance beyond 60 months to 20 percent of the caseload, without penalty, based on hardship or domestic violence. States also have the option to set shorter time limits on the receipt of TANF benefits.

State policies related to time limiting assistance vary greatly. Additionally, because time limit restrictions only apply to the use of federal TANF funds, a state may use segregated or separate state-only funds to provide assistance to families that it wishes to exempt from the limit or to families that have reached the federal time limit, without counting against the 20 percent cap.

Figure 12-J
State Lifetime Time Limit Policies, July 2011

State	Lifetime limit	Whose Benefits Are Terminated:	
		Entire unit	Adult only
Alabama	60 months	X	—
Alaska	60 months	X[1]	—
Arizona	36 months	X	—
Arkansas	24 months	X	—
California	48 months[2]	—	X
Colorado	60 months	X	—
Connecticut	21 months[3]	X	—
Delaware			
All, except TWP	36 months[4]	X	—
TWP	—	—	—
District of Columbia	60 months[5]	X	—
Florida	48 months	X	—
Georgia	48 months	X	—
Hawaii	60 months	X	—
Idaho	24 months	X	—
Illinois	60 months	X[1]	—
Indiana	24 months	—	X
	60 months	X	—
Iowa	60 months[6]	X	—
Kansas	60 months	X	—
Kentucky	60 months	X	—
Louisiana	60 months	X	—
Maine	—[7]	—	—
Maryland	60 months	X	—
Massachusetts	—	—	—
Michigan	48 months	X	—
Minnesota	60 months	X	—
Mississippi	60 months	X	—
Missouri	60 months	X	—
Montana	60 months	X	—
Nebraska			
Time-limited assistance	60 months	X	—
Non-time-limited assistance	—	—	—

Figure 12-J

State Lifetime Time Limit Policies, July 2011			
State	**Lifetime limit**	**Whose Benefits Are Terminated:**	
		Entire unit	**Adult only**
Nevada	60 months	X	—
New Hampshire			
Employment Program	60 months	X	—
Family Assistance Program	—	—	—
New Jersey	60 months	X	—
New Mexico	60 months	X	—
New York	—[8]	—	—
North Carolina	60 months[9]	X	—
North Dakota	60 months	—	X
Ohio	60 months[10]	X	—
Oklahoma	60 months	X	—
Oregon	60 months[11]	—	X
Pennsylvania	60 months	X	—
Rhode Island	48 months	X	—
South Carolina			
All, except CARES	60 months	X	—
CARES	—	—	—
South Dakota	60 months	X	—
Tennessee	60 months	X	—
Texas	60 months	X	—
Utah	36 months	X	—
Vermont	—[12]	—	—
Virginia	60 months	X	—
Washington	—[13]	—	—
West Virginia	60 months	X	—
Wisconsin	60 months	X	—
Wyoming	60 months	X	—

Source: Table IV.C.1 State Lifetime Time Limits Policies, July 2011 from the Urban Institute's Welfare Rules Database, funded by HHS/ACF and HHS/ASPE.

[1] If the adult who has reached the 60-month lifetime limit is not the parent of any child in the assistance unit, only the adult is ineligible for benefits. Children who do not live with a parent can therefore continue to receive assistance after their caretaker reaches the 60-month limit.

[2] California's TANF funding began December 1996, but recipients' benefit months did not begin to count against units' 60-month limit until January 1998. Using state funds, California will extend recipients' benefits beyond 48 months if the unit received assistance between December 1996 and January 1998. The length of the extension equals the number of months the unit received benefits during this period.

[3] Recipients may apply for extensions after 21 months of benefits, but they may not receive more than 60 total months of assistance. See table IV.C.4 for more information on extensions.

[4] The 36-month time limit applies to assistance units that apply for benefits on or after January 1, 2000. Units that received benefits before this date are eligible for 48 months of assistance.

[5] After 60 months, the unit remains eligible if the net income falls below the Reduced Payment Level. Benefits are reduced to 80% of the payment level for the unit size.

[6] In addition to the 60-month lifetime limit, units must establish a time frame, with a specific ending date, during which the recipient expects to become self-sufficient (i.e., when income is above eligibility limits).

[7] Units in compliance with TANF program rules may continue to receive benefits beyond 60 months. If members of the unit have been sanctioned three or more times during their 60 months of assistance, the adult's needs are not considered for benefit computation for an amount of time equal to the length of the adult's last sanction period.

[8] After 60 months, the unit is still eligible to receive noncash assistance through the state's Safety Net Assistance program.

[9] In certain circumstances, a child may be able to continue receiving benefits after the 60 months. Because the time limit follows the adult, a child may enter a new household and become eligible in a new assistance unit.

[10] After receiving 36 months of assistance, the case is closed; however, it is possible to receive 24 additional months of benefits if the unit has not received benefits for at least 24 months and can demonstrate good cause for reapplying.

[11] Oregon's 60-month lifetime limit retroactively affects recipients; all months of benefit receipt since July 2003 are counted against a unit's 60-month limit.

[12] Recipients who reach the 60-month federal time limit are placed in a solely state-funded program.

[13] Units in compliance with TANF program rules may continue to receive benefits beyond 60 months.

Figure 12-K
Other State Time Limit Policies, July 2011

State	Number of months eligible	Whose Benefits Are Terminated:	
		Entire unit	Adult only
Alabama	—	—	—
Alaska	—	—	—
Arizona	—[1]	—	—
Arkansas	—	—	—
California	—	—	—
Colorado	—	—	—
Connecticut	—	—	—
Delaware	—	—	—
District of Columbia	—	—	—
Florida	—	—	—
Georgia	—	—	—
Hawaii	—	—	—
Idaho	—	—	—
Illinois	—	—	—
Indiana	—	—	—
Iowa	—	—	—
Kansas	—	—	—
Kentucky	—	—	—
Louisiana	24 of 60 months	X	—
Maine	—		—
Maryland	—	—	—
Massachusetts			
Exempt	—	—	—
Nonexempt	24 of 60 months	X	—
Michigan	—	—	—
Minnesota	—	—	—
Mississippi	—	—	—
Missouri	—	—	—
Montana	—	—	—
Nebraska	—	—	—
Nevada	24 months; followed by 12 months of ineligibility	X	—
New Hampshire	—	—	—
New Jersey	—	—	—
New Mexico	—	—	—
New York	—	—	—
North Carolina	24 months; followed by 36 months of ineligibility	X	—
North Dakota	—	—	—
Ohio	36 months; followed by 24 months of ineligibility[2]	X	—
Oklahoma	—	—	—
Oregon	—	—	—
Pennsylvania	—	—	—
Rhode Island	24 of 60 months	X	—

Figure 12-K Other State Time Limit Policies, July 2011			
State	**Number of months eligible**	**Whose Benefits Are Terminated:**	
		Entire unit	**Adult only**
South Carolina			
All, except CARES	24 of 120 months	X	—
CARES	—	—	—
South Dakota	—	—	—
Tennessee	—	—	—
Texas	12, 24, or 36 months; followed by 60 months of ineligibility[3]	—	X
Utah	—[4]	—	—
Vermont	—	—	—
Virginia			
VIEW	24 months; followed by 24 months of ineligibility[5]	X	—
All, except VIEW	—	—	—
Washington	—	—	—
West Virginia	—	—	—
Wisconsin	—	—	—
Wyoming	—	—	—

Source: Table IV.C.2 Other State Time Limit Policies, July 2011 from the Urban Institute's Welfare Rules Database, funded by HHS/ACF and HHS/ASPE.

[1] Two-parent families in which neither parent is disabled are eligible for only six months of assistance in any 12-month period.

[2] To receive benefits after the 24-month period of ineligibility, the family must demonstrate good cause for reapplying. Good cause may include loss of employment, inability to find employment, divorce, domestic violence, or other reasons determined by the caseworker.

[3] The 12-month limit applies to nonexempt recipients who (1) did not complete the 11th grade and have 18 months or more of recent work experience or (2) have either a high school diploma or GED, a certificate from postsecondary school, or a certificate or degree from vocational or technical school and any work experience. The 24-month limit applies to nonexempt recipients who (1) did not complete the 11th grade and have between 6 and 17 months of recent work experience or (2) completed the 11th grade but not the 12th grade or have a GED, and have completed 17 or fewer months of work experience. The 36-month limit applies to nonexempt recipients who (1) have less than six months of recent work experience and (2) did not complete the 11th grade.

[4] Two-parent families in which the principal wage earner is unemployed are eligible for only 7 months of assistance in any 13-month period.

[5] After receiving 24 months of assistance, the unit may receive up to 12 months of transitional benefits. The 24 months of ineligibility begins with the month in which the case was closed or the month in which transitional benefits were terminated, whichever is later.

Adoption of Family Violence Option

Each state has the option to certify in its state plan that it has established and is enforcing standards and procedures to: (1) screen and identify individuals with a history of domestic violence (while maintaining their confidentiality); (2) refer such individuals for counseling and supportive services; and (3) waive program requirements, as appropriate, based on safety and fairness concerns. This provision is commonly referred to as the Family Violence Option.

Figure 12-L
Domestic Violence Provisions

State	Federal Certification[1] or State Program[2]
Alabama	Federal
Alaska	Federal
Arizona	Federal
Arkansas	Federal
California	Federal
Colorado	Federal
Connecticut	State
Delaware	Federal
District of Columbia	Federal
Florida	Federal
Georgia	Federal
Guam	Territory
Hawaii	Federal
Idaho	State
Illinois	Federal
Indiana	State
Iowa	Federal
Kansas	State
Kentucky	Federal
Louisiana	Federal
Maine	State
Maryland	Federal
Massachusetts	Federal
Michigan	State
Minnesota	Federal
Mississippi	State
Missouri	Federal
Montana	Federal
Nebraska	Federal
Nevada	Federal
New Hampshire	Federal
New Jersey	Federal
New Mexico	Federal
New York	Federal
North Carolina	Federal
North Dakota	Federal
Ohio	State
Oklahoma	State

Figure 12-L
Domestic Violence Provisions

State	Federal Certification[1] or State Program[2]
Oregon	Federal
Pennsylvania	Federal
Puerto Rico	Federal
Rhode Island	Federal
South Carolina	Federal
South Dakota	State
Tennessee	Federal
Texas	Federal
Utah	Federal
Vermont	Federal
Virginia	State
Virgin Islands	Territory
Washington	Federal
West Virginia	Federal
Wisconsin	State
Wyoming	Federal

[1] State submitted a signed certification that it has established and is enforcing standards and procedures to screen and identify individuals with a history of domestic violence, refer such individuals to counseling and supportive services, and waive program requirements based on safety and fairness concerns (commonly called the Family Violence Option, or the Wellstone Murray Amendment).

[2] State is addressing the issue of domestic violence under its TANF program, but did not submit the specified certification.

Family Cap

Under TANF, states may determine whether to increase cash assistance after the birth of an additional child to a family already receiving TANF benefits. Providing for no additional assistance when an additional child is born is commonly referred to as the family cap. PRWORA did not include a specific family cap provision, but some states have chosen to adopt such a provision (see Figure 12-M).

Figure 12-M
Family Cap Policies, July 2011

State	Special treatment of additional children	Special treatment if child born more than X months after case opening	Increase in cash benefit for an additional child (and special provisions)	Special treatment discontinued if case closed X months[1]
Alabama	No	—	—	—
Alaska	No	—	—	—
Arizona	Yes	10 [2]	None (disregard)[3]	Always capped
Arkansas	Yes	1	None	6
California	Yes	10 [4]	None	24
Colorado	No	—	—	—
Connecticut	Yes	10	$50	Always capped
Delaware	Yes[5]	10	None	Always capped
D.C.	No	—	—	—
Florida	Yes	10	Half of normal increase for adding first child; none for additional children	Always capped
Georgia	Yes	10	Varies[6]	Always capped
Hawaii	No	—	—	—
Idaho	No[7]	—	—	—
Illinois	No	—	—	—
Indiana	Yes	10	None	Always capped
Iowa	No	—	—	—
Kansas	No	—	—	—
Kentucky	No	—	—	—
Louisiana	No	—	—	—
Maine	No	—	—	—
Maryland	No	—	—	—
Massachusetts	Yes	10	None (disregard)[8]	Always capped
Michigan	No	—	—	—
Minnesota	Yes	10	None[9]	10
Mississippi	Yes	10	None	Always capped
Missouri	No	—	—	—
Montana	No	—	—	—
Nebraska	No	—	—	—
Nevada	No	—	—	—
New Hampshire	No	—	—	—
New Jersey	Yes	10	None (earner exemption)[10]	12 [11]

Figure 12-M
Family Cap Policies, July 2011

State	Special treatment of additional children	Special treatment if child born more than X months after case opening	Increase in cash benefit for an additional child (and special provisions)	Special treatment discontinued if case closed X months[1]
New Mexico	No	—	—	—
New York	No	—	—	—
North Carolina	Yes	10	None	Always capped
North Dakota	Yes	8	None	12
Ohio	No	—	—	—
Oklahoma	No	—	—	—
Oregon	No	—	—	—
Pennsylvania	No	—	—	—
Rhode Island	No	—	—	—
South Carolina	Yes[12]	10	None (voucher)[13]	Always capped
South Dakota	No	—	—	—
Tennessee	Yes	10	None	1 [14]
Texas	No	—	—	—
Utah	No	—	—	—
Vermont	No	—	—	—
Virginia	Yes	10	None	Always capped
Washington	No	—	—	—
West Virginia	No	—	—	—
Wisconsin	No[15]	—	—	—
Wyoming	No	—	—	—

Source: Table IV.B.1 Family Cap Policies, July 2011 from the Urban Institute's Welfare Rules Database, funded by HHS/ACF and HHS/ASPE.

Note: Some units may be exempt from the family cap policies. See the WRD for more details on exemption policies.

[1] This column describes the number of months a unit must remain off assistance to regain eligibility for a previously capped child. Some states permanently exclude capped children even if the unit cycles on and off assistance, while other states may include previously capped children in benefit and eligibility calculations if the unit has not received assistance for a specified period.
[2] The 10-month grace period only applies to the first child born after November 1, 1995. All subsequent children born to the family are capped unless they were conceived during a 12-month or longer period of nonreceipt.
[3] Units subjected to the family cap receive an additional earned income disregard equal to the lost benefit amount. This additional disregard is allowed for each month the member is excluded due to a cap.
[4] The family cap provision does not apply to units that did not receive notification of the rule at least 10 months prior to the birth of the child or units that leave assistance for at least two consecutive months during the 10-month period leading up to the birth.
[5] In addition to the family cap policy, any child born after December 31, 1998, to an unmarried minor parent is ineligible for cash assistance, regardless of whether the minor was receiving aid at the time of the birth. If the minor received benefits within 10 months of the birth of the child, the child will always be capped. If the minor did not receive benefits within 10 months of the birth of the child, the child will be eligible for assistance once the minor turns 18. Units in which the child is not permanently capped may receive noncash assistance services in the form of vouchers upon request, but they will not be automatically given each month. Receipt is based on need, and the total monthly value of the vouchers is capped at $69.

[6] The additional child increases the standard of need but not the family maximum. If the family has no income, the cash benefit will not increase. However, if the family has income, the benefit may increase but cannot increase higher than the maximum payment for the family size excluding the capped child.
[7] The state provides a flat maximum benefit, regardless of family size. However, the Work Incentive Payment increases with family size, so the benefit for a unit with income may increase with an additional child, but never beyond the maximum benefit level.
[8] Units subject to the family cap receive an additional earned income disregard equal to the first $90 of income received by or on behalf of a capped child in any month.
[9] The family cap applies only to the cash assistance portion of the benefit the additional child would receive. The child will still be eligible for the food portion of the benefit.
[10] Units in which at least one adult member of the unit is working (any number of hours) are not subject to the family cap.
[11] After case closure, if the recipient is employed for three months and loses the job by no fault of his or her own and then reapplies for assistance, the previously capped child is included in the unit. These units, however, do not receive a new 10-month grace period for any subsequent pregnancies.
[12] The unit is not eligible for assistance if the only child in the unit is the capped child.
[13] Benefits are available in the form of vouchers up to the amount of increase in cash benefits the unit would have received for the child.
[14] The family cap will continue until the case is closed. If the case is reopened, the cap is discontinued unless the case was closed for failure to cooperate with child support requirements, failure to fulfill requirements included in the contract, or if at the time of case closure the unit was sanctioned for noncompliance with these requirements, even if noncompliance was not the reason for the closure.
[15] The state provides a flat benefit, regardless of family size.

XIII. Health Profession Opportunity Grants

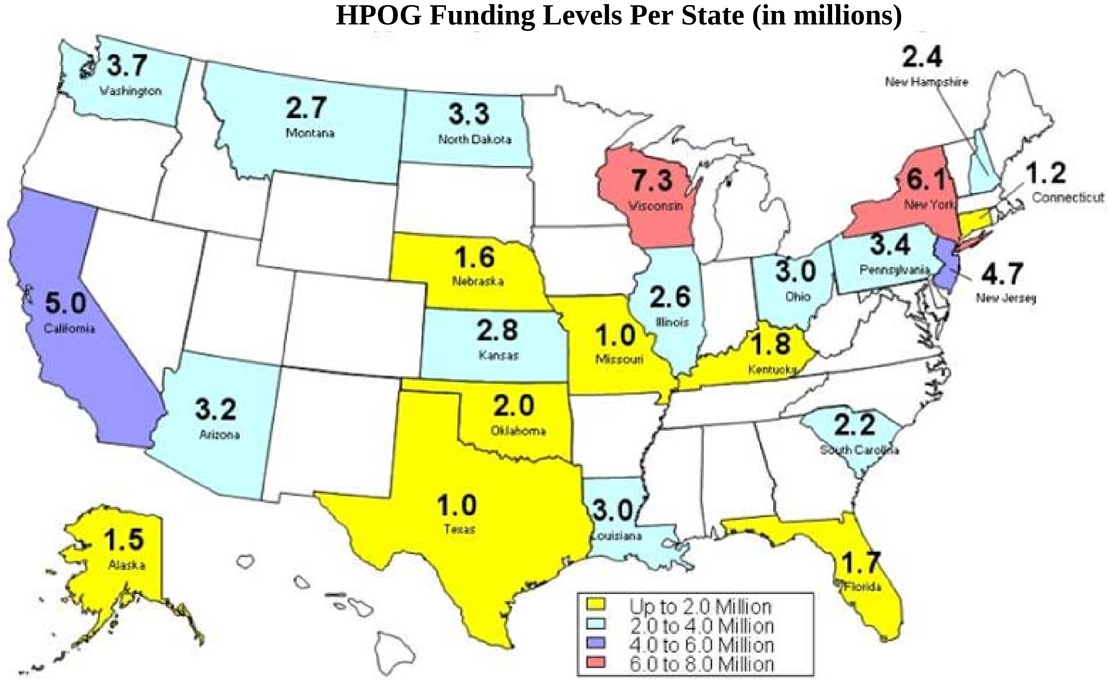
Background

The Health Profession Opportunity Grants (HPOG) program, administered by the Office of Family Assistance within ACF, provides TANF recipients and other eligible low income individuals with the opportunity to obtain education and training for occupations in the health care field that pay well and are expected to either experience labor shortages or be in high demand. The Patient Protection and Affordable Care Act, Pub. L. 111-148, and the Health Care and Education Reconciliation Act of 2010, Pub. L. 111-152 (collectively known as the Affordable Care Act) authorized the HPOG program when signed into law on March 23, 2010.

These cooperative agreements and how they function are described in detail in their funding opportunity announcements, HHS-2010-ACF-OFA-FY-0124 and HHS-2010-ACF-OFA-FX-0126, which can be found online at:
http://www.acf.hhs.gov/grants/open/foa/view/HHS-2010-ACF-OFA-FY-0124/html
http://www.acf.hhs.gov/grants/open/foa/view/HHS-2010-ACF-OFA-FX-0126/html

After a competitive grant application review process, in September 2010 OFA awarded approximately $67 million in funding to 32 organizations located across 23 states. Grantees include two community based organizations, four state entities, nine local workforce investment boards, one university, one community college district, ten community colleges, four tribal colleges, and one tribal council.

Figure 13-A
HPOG Funding Levels Per State (in millions)



Partnerships

All HPOG grantees are required to coordinate with:

- The state agency responsible for administering the state TANF program;
- The Local Workforce Investment Board in the area in which the project is to be conducted (unless the applicant is such board);
- The State Workforce Investment Board established under Section 111 of the Workforce Investment Act (WIA) of 1998; and
- The State Apprenticeship Agency recognized under the Act of August 16, 1937 (commonly known as the National Apprenticeship Act) (or if no agency has been recognized in the state, the Office of the Apprenticeship of the Department of Labor).

There are several ways in which the grantees coordinate with these required partners. For example, grantees have planned to coordinate with TANF agencies through formalized agreements (i.e., memoranda of understanding). They also have formed advisory groups to include a TANF representative, worked with TANF agencies for outreach, recruitment and referrals, and leveraged existing TANF resources with other grant funds. Some grantees also are co-located with American Job Centers (also known as one-stop career centers) and/or TANF programs. HPOG programs also are developing partnerships with local employers, which allow them to plan their enrollment goals around employer hiring plans, craft curriculum to teach the skills employers demand, build sustainable career pathways, and create employment opportunities for HPOG students.

Program Activities

HPOG programs: (1) target skills and competencies demanded by the healthcare industry; (2) support career pathways, such as an articulated career ladder; (3) result in an employer or industry recognized certificate or degree (which can include a license, as well as a Registered Apprenticeship certificate or degree); (4) combine supportive services with education and training services to help participants overcome barriers to employment, as necessary; and (5) provide training services at times and locations that are easily accessible to targeted populations.

HPOG programs use labor market information and reach out to employers to identify careers in demand. They equip their participants with skills to meet employer needs and provide wrap around services to help eliminate barriers to academic success and employment..

All grantees offer multiple supportive services in order to assist students in overcoming their barriers to education and employment. The most common services include case management, child care, transportation assistance, uniforms/supplies, tuition assistance, soft skill training, and career placement services.

Career Pathways

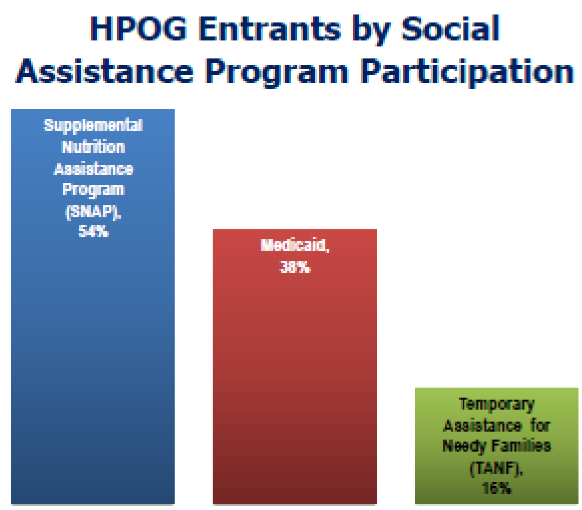
Career pathways are a series of connected education and training strategies and support services that enable individuals to secure industry relevant certification and obtain employment within an occupational area and to advance to higher levels of future education and employment in that area.

Using this organizing principle, HPOG programs offer education and training programs that may lead to more than 50 unique occupations. Some of the most common occupational training programs include those for nursing aids, nursing assistants, licensed and vocational nurses, registered nurses, medical assistants, and medical office clerks. By following a sequence of some of these common training programs, participants can progress academically and in employment. As a typical example, a grantee may provide training for Certified Nursing Aides who earn about $10 per hour, Licensed Vocational Nurses who earn about $15 per hour, and Registered Nurses who earn about $22 per hour.

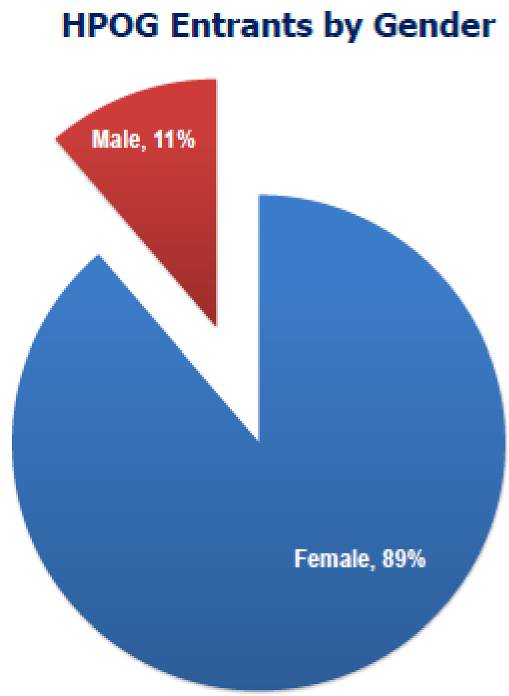
Enrollment and Implementation through FY 2011

The HPOG program serves TANF recipients and other at-risk populations who often lack access to the education and training they need to enter careers in the health care sector. Over the course of five years, HPOG programs plan to enroll more than 30,000 students in education and training programs. In the first year, 31 grantees enrolled 6,481 participants, exceeding the total projected number of participants. HPOG entrants were 89 percent female, and at least 57 percent have one or more children. Five HPOG awards totaling approximately $9.6 million a year were made to tribal organizations, and seven HPOG programs are located in areas officially designated as rural (by Census and HRSA), with unemployment rates as high as 69 percent among some groups.

Most participants receive some kind of public benefit, such as Supplemental Nutrition Assistance Program (SNAP), Medicaid, or TANF benefits at the time of their entry into HPOG. Over a quarter of entrants had no earnings and an additional 52 percent had earnings of less than $15,000 in the year preceding HPOG entry.



Source for all characteristics data: HPOG Performance Reporting System (PRS), December 1, 2012.



Employment of HPOG participants in a health care job related to their training is the ultimate goal of the program. Grantees reported that of the 987 participants employed in any occupation by the end of the first year of the program, 551 obtained employment in health care occupations. While training completion is an important indicator of program progress and success, HPOG grantee programs differ considerably in length of their programs. As a result, some enrollees were still actively participating in training by the end of the first year, so the completion figures are likely to grow. The median wage for those who were employed in a health care occupation was $11.26 per hour, $23,421 annually with a full-time work schedule. While a relatively low wage level, this is above the HHS poverty threshold for a family of four.

Evaluation Efforts

The HPOG program is a demonstration project designed to build and share knowledge. The program has established uniform data measures and all grantees use an online performance reporting system. ACF's Office of Planning, Research, and Evaluation (OPRE) is using a multi-pronged research and evaluation strategy to assess the success of the HPOG Program. These research and evaluation activities examine program implementation, systems change resulting from HPOG programs, and outcomes and impacts for participants. The research components are closely coordinated to avoid duplicative efforts, maximize the usefulness of collected data, reduce burden on grantees participating in the federal evaluation activities, meet performance management requirements, and promote cross-project learning. OPRE's HPOG evaluation efforts are described further in Chapter XII of this report.

XIV. Family Self-Sufficiency and Stability-Related Research

The U.S. Department of Health and Human Services (HHS) sponsors, manages, and conducts research and evaluations pertaining to family self-sufficiency and stability, including projects relevant to management of the Temporary Assistance for Needy Families (TANF) program, studies of TANF recipients and low-income individuals, and families more generally, while focusing on evaluations of service interventions to improve family well-being. HHS' research and evaluation activities in these areas are carried out primarily by the Administration for Children and Families' (ACF) Office of Planning, Research and Evaluation (OPRE) and the Office of the Assistant Secretary for Planning and Evaluation (ASPE). OPRE and ASPE coordinate their research agendas with each other and with other government agencies, independent research organizations, and private foundations, and collaborate with university-based research centers.

OPRE's and ASPE's family self-sufficiency and stability-related research and evaluation projects fall into five broad categories: (1) TANF and the safety net, (2) employment and the labor market, (3) education and training, (4) family strengthening, and (5) cross-cutting research. Select OPRE and ASPE current and past projects are summarized and discussed below and include multi-year experimental impact evaluations, implementation evaluations, descriptive studies, and other forms of analysis.

TANF and the Safety Net

One goal of HHS' support for research and evaluation efforts is to provide a better understanding of the nature and consequences of TANF program and policy choices, especially as they relate to the well-being of children and families. OPRE and ASPE are interested in TANF data and research, as well as populations enrolled in or eligible for the TANF program.

Understanding TANF Programs, Data, and Research

The passage of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) shifted the cash welfare system from the Aid to Families with Dependent Children (AFDC) program to TANF. Since that time, both OPRE and ASPE have supported a number of descriptive studies of various aspects of state and local TANF programs. Study topics have included diversion and sanction policies and the relationship of these policies to Federal work participation requirements, time limit policies, and TANF caseloads and leavers. These studies helped lay the groundwork for many of OPRE's and ASPE's current projects.

One current project also focused on describing the TANF program is the *State TANF Policies Database* (and the related Welfare Rules Databook). With the shift from AFDC to TANF in the mid-1990s, states gained considerable authority to design the parameters of their cash assistance programs and set their own rules. In order to document what was happening in states, OPRE, with ASPE support, contracted with the Urban Institute to develop the Database, a single location where information on TANF program rules can be researched across states and/or years. The Database is intended to provide a resource for researchers working on both descriptive and quantitative projects. Updates to the Database have been funded each year since 1997.

In addition to identifying and describing TANF program changes over time, ASPE- and OPRE-sponsored studies have provided information about TANF performance. ASPE's *Improving State TANF Performance Measures* study, funded in 2010 and conducted by the Urban Institute, presented information about state-level TANF performance measurement systems, including insights into how states have created and implemented performance measures, how performance data are analyzed and used to improve service delivery and outcomes for children and families, and how states have integrated TANF measures with those of similar programs, such as programs supported by the Workforce Investment Act (WIA).

The existing body of knowledge on the TANF (and the AFDC) program is substantial. However, the field lacked a recent synthesis of relevant research. To fill this gap, OPRE contracted with the Urban Institute to produce the *TANF Research Synthesis Briefs*. Completed in 2012, these briefs summarize the most recent, rigorous, and relevant research related to TANF in a format that is designed to be useful for both researchers and policymakers. Topics covered in the briefs include: improving employment and earnings for TANF recipients, TANF recipients with barriers to employment, changes in the TANF caseload over time, disconnected families and TANF, TANF child-only cases, TANF work requirements and state strategies to fulfill them, TANF and the broader safety net, and facilitating post-secondary education and training for TANF recipients.

OPRE's *Federal-State Partnerships to Build Capacity in the Use of TANF and Related Administrative Data* project examined states' capacity to link administrative databases to improve the effectiveness of TANF programs and bolster their ability to conduct program evaluation and research. ACF provided four states – South Carolina, Wisconsin, Connecticut, and Indiana – with technical assistance and grants to improve each state's capacity to analyze and link databases. In particular, states were encouraged to incorporate data from the National Directory of New Hires (NDNH) into their existing databases.

The grant funds successfully enabled Connecticut, South Carolina, and Wisconsin to substantially improve their linked administrative data systems, provide new information about the characteristics and outcomes of their caseloads, and pursue in-depth research questions of key interest to the state. Despite a major upheaval in the administration of its TANF program, Indiana completed its primary objective of obtaining employment verification matches with the NDNH.

OPRE and ASPE also are sponsoring new research on the TANF program. OPRE, through a contract with Mathematica Policy Research (MPR), is conducting a *Descriptive Analysis of*

TANF Work Participation. The Claims Resolution Act of 2010, which extended the authorization of the TANF program, required that states report client participation in allowable TANF work activities for a specified period. This includes whether individuals engage in activities directed toward attaining self-sufficiency, and activities among those that do not qualify as work activities but are otherwise reasonably calculated to help the family move toward self-sufficiency. The purpose of this descriptive study is to collect additional information to better understand the principal reasons as to why individuals are reported to have zero hours of participation in TANF work activities.

In addition, OPRE, also through a contract with MPR, is conducting a *Descriptive Analysis of TANF/WIA Coordination*. The creation of the TANF program imposed time limits on receipt of cash assistance, broadening and strengthening mandates for clients to work or engage in work-related activities. These changes increased the need for employment-related services for welfare recipients, applicants, and potential applicants. In 1998, WIA consolidated multiple employment-related public programs into a unified system through which comprehensive labor market information, job training, and job search assistance could be provided in One-Stop Career Centers.

Delivering services more efficiently is a critical objective for federal and state officials who administer TANF and provisions of WIA. Both programs seek a more cost-effective, coordinated way to serve their clients and, ultimately, to improve client outcomes. Ongoing research on TANF/WIA coordination and integration has revealed wide variation in management structures, administrative designs, and implementation experiences. Previous studies have focused on the degree to which various factors may influence cross-program coordination and the degree to which WIA program services are provided to TANF clients. This project will gather information from states to identify, analyze, and describe promising practices that have emerged from state and local efforts to coordinate TANF and WIA services.

While the majority of states centrally administer their TANF programs, nine states (California, Colorado, Minnesota, New Jersey, New York, North Dakota, Ohio, and Wisconsin) play a supervisory role and delegate the administration of the TANF program to their counties. The OPRE *Descriptive Study of County vs. State TANF Administration*, being conducted by the Urban Institute, will examine the dynamics of county- and state-administered TANF programs and document lessons learned from different county-level programmatic implementations and experiences. The study will address a key policy research question: How are TANF programs administered by counties and supervised by the states differing from programs administered by the states? This project will involve gathering information from a sample of county- and state-administered TANF programs and identifying and recommending potential approaches for technical assistance specific to state-supervised, county-administered TANF programs.

Understanding TANF Populations

Since the creation of TANF in 1996, there has been concern about a variety of low-income populations. One important TANF population is rural families. OPRE's multi-year, national *Rural Welfare to Work Strategies Demonstration Evaluation* was designed to learn how best to help TANF recipients and other low-income rural families move from welfare to work. The evaluation increased information on rural Welfare-to-Work strategies and lessons about the operational challenges and methods to address them that can be used by state and local TANF agencies and others.

Two state programs, one in Illinois and one in Nebraska, were selected for study in the project. The *Illinois Future Steps Rural Welfare-to-Work (Future Steps)* program offered intensive, employment-focused case management to prepare participants for work and help them find and keep jobs. However, there was no evidence that Future Steps improved employment and earnings or reduced welfare dependence and poverty. At the 18-month follow-up, slightly more than half of the sample members were employed and close to two-thirds lived in poverty. The program did not appear to have impacts for subgroups of clients defined by which year they participated or how employable they were at the time of enrollment.

The *Building Nebraska Families (BNF)* program provided individualized education, mentoring, and service coordination using home-based teaching sessions by master's degree-level educators. BNF improved employment near the end of the 30-month follow-up; the program group members also were significantly more likely to retain employment and advance in their jobs. Overall, there were not significant impacts on sample members' earnings or public assistance receipt, but BNF significantly improved family income and reduced poverty. More disadvantaged program group members worked significantly more months and hours than more disadvantaged control group members. The more disadvantaged program group also was significantly more likely to work in higher-paying jobs with better benefits, to retain employment, and to move to better jobs. BNF led to significant, robust impacts among more disadvantaged program group members on earnings, with the magnitude of the impacts growing over time. In the last six months of the 30-month follow-up, the program group earned 56 percent more than the control group, about $200 more per month.

Other populations of interest include low-income individuals and families who leave TANF without finding work and low-income individuals who may be eligible for TANF but are neither receiving TANF nor working. Low-income individuals and families who are not employed or receiving public assistance are often referred to as "disconnected." According to recent estimates, 20 to 25 percent of low-income single mothers are disconnected from work and TANF for some period of time over the course of a year.

In recent years, HHS has invested in better understanding the dynamics, characteristics, and circumstances of disconnected families. These efforts include a research brief on disconnected families and TANF, grants to the ASPE-funded Poverty Research Centers to fund research on local disconnected populations, and an analysis of the dynamics and characteristics of low-income single mothers disconnected from work and public assistance. This research has sought to address questions such as the size of the disconnected population, the characteristics of disconnected families, the extent of economic hardship faced by disconnected families, and dynamics of disconnection.

The *Understanding the Dynamics of Disconnection from Employment and Assistance* project is intended to lay the groundwork for the next stage of research on disconnection. Launched in 2011 and conducted by the Urban Institute, the project began by convening a meeting of experts who discussed existing research on disconnection and offered input on the most important knowledge gaps and areas for future research. The next phase of the project will be an exploratory qualitative study of disconnected individuals and their circumstances. Interviews will be conducted in 2013 and a final report is expected in early 2014. It is hoped that the project will shed new light on this hard-to-reach population and offer new hypotheses for further study.

Numerous studies have identified the substantial potential for overlap in families and individuals served by TANF and the Supplemental Security Income (SSI) programs. The *TANF/SSI Disability Transition Project (TSDTP)* is an effort to examine the extent of the overlap between the TANF and SSI programs and populations and to develop innovative pilot programs that can improve a variety of outcomes for individuals with disabilities and barriers to employment. TSDTP is a collaborative effort between ACF and the Social Security Administration, conducted through a contract to MDRC.

The first stage of TSDTP involved understanding the existing environment. Federal TANF and SSI data have been merged to determine the national overlap between TANF and SSI applicants and participation. Analysis of this merged data revealed a number of interesting findings. While these data are limited to the subset of states that submit the universe of their data to HHS, they did reveal that while there is some overlap among individuals who apply for TANF and also apply for SSI, the extent of this overlap is not nearly as significant as is often reported in population-based surveys. Additionally, although there does appear to be a slight increase in applications for SSI around the time of an application for TANF, the increase is minimal, especially in the context of the total caseload and applicants for each program. Early findings from the TANF/SSI Disability Transition Project describing this analysis thematically were published in a June 2013 report.

In the second stage of this project, Ramsey County, MN; Los Angeles County, CA; and Muskegon County, MI, have implemented pilot tests of innovative approaches to serving individuals with disabilities through providing services to TANF clients with barriers to employment, streamlining the SSI application process, or improving coordination between the two systems. A final report and topic specific briefs will be published in 2013.

While adult TANF recipients have been the subject of most research on TANF, child-only cases – those in which no adult is included in the benefit calculation and only the children are aided – now constitute close to half of all cash assistance cases in the TANF program. Lack of research on this population means that much is unknown about a large segment of the TANF caseload and some of the nation's most vulnerable children and their families. In response to the need for research on this subject, OPRE and ASPE awarded a grant to Chapin Hall at the University of Chicago to document differences in state policies that affect child-only TANF cases, describe characteristics and dynamics of such cases, and address the programmatic and policy context in which these cases exist. The *Understanding the Child-Only TANF Caseload* study used a mixed-methods approach, combining secondary administrative data analysis; informant interviews at the federal, state, and county levels; and a national survey of TANF administrators. The final report provides a broad overview of policies, demographic trends, and program challenges both nationwide and in four states – California, Florida, Illinois, and New York.
In addition, little is known about the characteristics, implementation, and promising practices of TANF programs serving American Indian (AI) Tribes and Alaska Native (AN) Villages and the non-reservation American Indian and Alaska Native (AI/AN) populations. PRWORA authorized the allocation of funding to AI Tribes and AN Villages for the administration of tribal TANF programs. Currently, there are 64 approved tribal TANF programs serving 298 AI Tribes and AN Villages and the non-reservation AI/AN populations of over 121 counties (including several major metropolitan areas, designated near-reservation towns and six AN Regional Corporation areas). *A Descriptive Study of State Tribal TANF Programs*, being conducted for OPRE by the Urban Institute, will explore and examine the implementation of four such programs. The project will involve gathering information from selected tribal TANF programs and ACF's Office of Family Assistance (OFA). One objective is to document lessons learned about diverse programmatic approaches to the implementation of tribal TANF programs. The study also will identify and recommend potential approaches for further study. The final report is expected in 2013.

OPRE also is sponsoring the *Understanding Urban Indians' Interactions with ACF Programs and Services* project. This project, being led by Westat, is an exploratory research study to better understand the challenges and context for barriers to accessing ACF services among low-income AI/ANs in urban areas. The primary aims of this study include developing a better understanding for how Urban Indian Centers are working to meet the needs of this population, assessing the unmet service needs among low-income urban AI/AN populations and exploring how ACF services might be able to better meet these needs. The final report is expected in the fall of 2013.

Additionally, the *Tribal TANF – Child Welfare Coordination* project will demonstrate models of effective coordination by tribal governments or tribal consortia of tribal TANF and child welfare services provided to tribal families at risk of child abuse or neglect. The grants in this project must be used for one or more of the following: (1) to improve case management for families eligible for assistance from a tribal TANF program; (2) for supportive services and assistance to tribal children in out-of-home placements and the tribal families caring for such children, including families who adopt the children; or (3) for prevention services and assistance to tribal families at risk of child abuse and neglect. The final report is expected in late 2014.

Employment and the Labor Market

A major focus of OPRE's and ASPE's research involves strategies for helping TANF recipients and other low-income individuals find jobs, maintain employment, and advance in the labor market. State and local TANF officials and other service providers continually express the need for more information and guidance as they develop employment-focused strategies to work more effectively with TANF recipients who face substantial barriers to employment. Using labor market data to study factors that affect job retention and wage advancement among TANF recipients and other low-income and disadvantaged workers also is an important part of OPRE's and ASPE's work.

Finding Jobs, Maintaining Employment, and Advancing in the Labor Market

In the 1980s and 1990s, efforts to engage low-income individuals in employment typically focused on entry into the labor market. OPRE's *Employment Retention and Advancement (ERA)* evaluation, led by MDRC, was designed to go beyond these efforts by identifying ways to promote stable employment and advancement to higher-paying jobs among welfare recipients and low-wage workers. The project began in 1998 and almost all participating programs targeted current or former recipients of TANF, but the program models were extremely diverse. Projects were classified along several dimensions: projects concerned with advancement, projects concerned with hard-to-employ workers, and projects with mixed goals.

Out of the 12 programs included in the report, three programs produced positive economic impacts: the Texas (Corpus Christi and Fort Worth sites), Chicago, and Riverside Post-Assistance Self-Sufficiency (PASS) programs. These programs increased annual earnings by 7 to 15 percent relative to control group levels. Each of the programs served a different target group, which suggests that employment retention and advancement programs can work for a range of populations. Additional analysis indicated that these three programs were cost beneficial.

The Corpus Christi program had consistent effects on employment retention and earnings and increased earnings by 15 percent as compared with the control group. There also was evidence that the program may have led to advancement gains (gains in hours worked, weeks worked, or wages) compared with the level of advancement seen in the control group. The Texas ERA program in Fort Worth also produced increases in these measures.

The program in Chicago also produced increases in employment retention and earnings. In addition, there is evidence that the program may have led to advancement gains, compared with the level of advancement seen in the control group. While the Chicago ERA program raised average annual earnings by seven percent relative to the control group, these effects weakened over time. This program achieved the largest reductions in welfare receipt among all the ERA programs with a 25 percent reduction relative to the control group levels.

Increases in employment retention and earnings were large and consistent in the Riverside PASS ERA program. There also was evidence that the program may have led to increases in advancement, compared with what was seen in the control group. This program increased average annual earnings by 10 percent relative to the control group level. In addition, the program generated its largest effects on earnings ($970) in the fourth year of follow-up, suggesting that the program may lead to even longer-term earnings gains. The remaining nine programs did not produce gains in targeted outcomes beyond what control group members were able to attain on their own with the existing services and supports available in the sites.

Three years after the ERA evaluation began, OPRE, ASPE, and the U.S. Department of Labor (DOL) funded a major evaluation project intended to increase knowledge about the most effective strategies for helping hard-to-employ low-income parents and individuals find and sustain employment and improve family and child well-being. The *Enhanced Services for the Hard-to-Employ Demonstration and Evaluation (HtE)* was a multi-year, multi-site project that assessed the effectiveness of programs designed to enhance employment outcomes for current or former TANF recipients and other low-income parents who have demonstrated difficulty entering and sustaining employment. In addition to measuring programmatic effects on adults' employment and earnings, the project evaluated family functioning and child well-being and included a test of a two-generation program intervention, which provided both employment services to adults and direct services to children.

The HtE project had four sites. The first site was a transitional employment program for ex-offenders in New York City. The New York Center for Employment Opportunities (CEO) generated a large but short-lived increase in employment, which was driven by CEO’s transitional jobs programs. By the end of the first year of the study period, the program and control groups were equally likely to be employed and their earnings were similar. CEO reduced recidivism during both the first and the second years of the study period; the program group was less likely than the control group to be convicted of a crime, admitted to prison for a new conviction, or incarcerated.

The second site was comprised of two alternative employment strategies programs for TANF recipients in Philadelphia. The Philadelphia Transitional Work Corporation (TWC) program group members had significantly higher employment rates and earnings than the control group members, but the difference faded by the end of the first year of follow-up. Recipients who were assigned to the Success through Employment Preparation (STEP) program did not work or earn more, or receive less welfare, than the control group.

In the third site, a telephonic outreach and follow-up initiative to get Medicaid recipients with depression into a high quality mental health treatment program connected to employment services in Rhode Island, care managers effectively engaged people with depression via telephone. Overall, 91 percent of the program group members had at least one discussion with a care manager, and the care managers averaged nine contacts per client over the yearlong intervention. There were significant barriers to in-person treatment within the target population. Participants typically faced many ongoing and interrelated life stressors, including multiple health problems and child care and other care giving responsibilities.

The fourth HtE site was comprised of Early Head Start programs that served both adults and children in Kansas and Missouri. The Kansas and Missouri Early Head Start programs struggled to increase and maintain their focus on parental employment and educational needs. Programs hired on-site "self-sufficiency" specialists, conducted trainings, and developed tools and resource guides to assess parents' employment and educational needs. Take-up of the enhanced parental employment and educational services was lower than expected. Only 63 percent of families in the program group ever discussed employment, educational, and self-sufficiency needs with program staff. There were no statistically significant impacts on maternal employment or earnings for the full sample, but the programs had some positive impacts on earnings for families with infants.

In 2010, OPRE launched the *Subsidized and Transitional Employment Demonstration Project (STED)* to demonstrate and evaluate the next generation of subsidized employment models for critical low-income populations (e.g., non-custodial fathers, low-income youth at risk of unsuccessful transition to the labor force, TANF clients, and low-income individuals with disabilities). The project, led by MDRC, examines strategies aimed at providing transitional and counter-cyclical employment strategies for successfully transitioning individuals from short-term subsidized employment to unsubsidized employment in the labor market. These strategies will build upon approaches that have demonstrated empirical effectiveness in previous studies, test new and innovative interventions designed to demonstrate promising program components and adapt to current policy environments at the Federal, state, and local levels. The evaluation includes a random assignment impact evaluation, an implementation evaluation at each project site, and an analysis of the costs and benefits (both financial and non-financial) of the subsidized employment programs included in the evaluation. Of particular note is STED's six-month, in-program survey, which will attempt to measure some of the potential non-economic benefits of subsidized employment, including emotional and social well-being.

The STED Project is being conducted in close coordination with DOL's Enhanced Transitional Jobs Demonstration (ETJD). Implemented by DOL's Employment and Training Administration (ETA), ETJD supplies grant funds to provide temporary, paid work experiences to non-custodial parents and ex-offenders to improve their employability, earnings, and opportunities for advancement. Seven grantees received four-year grants, which require participation in a rigorous, experimental evaluation and partnerships with child support enforcement and criminal justice agencies, as appropriate. Given the complementary nature of these evaluations, OPRE and ETA have entered into a memorandum of agreement to coordinate the STED and ETJD studies. This coordination includes shared data collection instruments, shared evaluation sites, and coordinated reporting efforts.

STED began with a short-term analysis of what is known about existing or previous approaches to subsidized employment, including transitional jobs, especially within the context of current TANF policies and requirements, as well as efforts under the American Recovery and Reinvestment Act, in the report, *Subsidizing Employment Opportunities for Low- Income Families: A Review of State Employment Programs Created through the TANF Emergency Fund*. Once selected, the programs tested in STED will feature a variety of approaches to subsidized employment ranging from paid work experience to on-the-job training to placements in private sector positions. The sites also will vary in their target populations and will likely target TANF recipients, TANF individuals who have reached their time limits, low-income UI exhaustees, and disconnected youth.

In addition to transitional jobs, job search activities are a significant area of program attention and prior research. Both TANF and workforce development agencies incorporate these activities into their programs. While job search activities are often included as an essential component of programs that have been the subject of OPRE-sponsored evaluations, they have not previously independently been the focus of rigorous examination. In the fall of 2011, OPRE launched the *Design Options of the Search for Employment (DOSE)* project to address these gaps in the literature. DOSE explores the potential to develop rigorous impact evaluations of alternative job search strategies. The project scanned the current state of knowledge of job search strategies and developed ideas to test job search strategies and approaches. The knowledge development report features a foundational conceptual framework to guide the other components of the project, as well as an extensive review of the literature around job search strategies in the TANF and Unemployment Insurance programs and other salient research. This project is being conducted by Abt Associates and concluded with a final evaluation design options report in March 2013.

Using Labor Market Data

To move beyond job search and study the labor market factors that affect job retention and wage advancement among low-income and disadvantaged workers, ASPE has funded a series of analyses using panel data from the Survey of Income and Program Participation (SIPP), and data from the Longitudinal Employer Household Dynamics (LEHD) program housed at the Census Bureau. These data programs provide longitudinal information that can be used to track the employment and economic outcomes over time of low-income and other disadvantaged populations, including TANF recipients, former recipients, and those at risk of entering TANF.

Working with the Census Bureau, ASPE completed the *Past Work Experience and Earnings Trajectories of Single Mothers* project, which used LEHD data linked with income and family data from the Current Population Survey (CPS). This data provided employment and earnings histories for 10 years for survey respondents. In contrast to the broader population, single mothers as a group had persistently lower rates of employment and, if employed, higher job volatility and stagnant earnings in the years prior to the survey year. Subsequently, their position in the labor market improved markedly: low-income single mothers, in particular, experienced relatively rapid earnings growth and increased employment stability. Even so, relatively large fractions of low-income single mothers continued to experience difficulties in the labor market; a more detailed analysis of the factors contributing to success in the labor market suggests that past employment histories are closely related to subsequent labor market outcomes.

ASPE also conducted the *Dynamics of being Disconnected from Work and TANF* study about the characteristics and experiences of low-income single mothers who are disconnected from TANF, SSI, and the labor market. Using nationally representative longitudinal data from the 2004 and 2008 panels of the SIPP, the project examined individuals' movement into and out of disconnection, events associated with becoming disconnected, and the size and characteristics of the disconnected population. This project, which was conducted by the Urban Institute, found that about one in five low-income single mothers was disconnected in the period studied, an increase from about one in eight in 1996, and that more than 40 percent of disconnected mothers remain disconnected for over a year. In addition, the study found that losing a job is the most common reason for becoming disconnected, and finding a job is the most common reason for becoming reconnected.

Using quarterly data from the CPS, ASPE conducted the *Employment Patterns among Persons with Children during the Recession* study. Analyses indicate that employment patterns of persons with children under age 18 have largely mirrored the employment patterns of the rest of the labor force during the recession, including a decrease in employment throughout 2008 and 2009. Findings show an increase in the percentage of couples with neither parent employed and an increase in the percentage of single mothers who were neither employed nor living with an employed cohabiting partner.

Currently, ASPE is finishing a study using the longitudinal LEHD data linked with TANF administrative data to examine the employment and earnings outcomes and TANF receipt of individuals who left TANF in the early 2000s. A report for this study is expected in early 2014.

Education and Training

OPRE and ASPE also have strong histories of sponsoring rigorous research on the effectiveness of education and training strategies for improving employment and earnings for TANF recipients and other low-income individuals.

In 2007, ACF initiated the *Innovative Strategies for Increasing Self-Sufficiency (ISIS)* project, a multi-site, random assignment evaluation of promising strategies for increasing employment and self-sufficiency among low-income families. At the beginning of the project period, the ISIS team consulted with over 250 stakeholders in order to identify promising intervention strategies for evaluation. From these discussions, consensus emerged that the evaluation should focus on a relatively wide population of low-income parents (not limited to TANF recipients) and that ISIS should study interventions with potential for substantial effects on earnings and income rather than just modest effects and prioritize strategies focused on skills development, as well as related financial and other supports.

Based on stakeholder input, and taking into account the presence of programs suitable for evaluation, the ISIS team has come to focus on career pathways as the main intervention framework to study. Career pathways consist of a series of connected education and training steps paired with related supports. Steps along the pathway lead to employment in a specific sector or occupation but also can lead to further training. Examples include basic and sectoral bridge programs, short-term certificate programs, and longer-term certificate and associate's degree programs. The pathway allows individuals to achieve employment and progressively advance over time. ISIS is especially focused on career pathways models that include innovative instructional strategies, promising support services strategies, and connections to employment.

The ISIS team is working on evaluation designs in nine innovative sites operating career pathways programs around the country. These ISIS partners include the Des Moines Area Community College (Prepared Learner Program), I-BEST Program in select colleges in Washington State, Instituto del Progresso Latino (Carreras en Salud), Madison Area Technical College (Center for Adult Learning), Pima Community College (Pathways to Healthcare), San Diego Workforce Partnership (Bridge to Employment), Valley Initiative for Development and Advancement, Workforce Development Council of Seattle-King County (Health Careers for All), and Year Up.

Another education- and training-based OPRE project are the evaluations of the Health Profession Opportunity Grants (HPOG). HPOG, authorized by the Affordable Care Act, provides funds for demonstration projects to provide TANF recipients and other low-income individuals with opportunities for education, training, and advancement that lead to jobs that pay well and address the healthcare professions' workforce needs. In FY 2010, OFA awarded $67M in HPOG grants to 32 entities located across 23 states, including five tribal organizations. These demonstration projects are intended to address two pervasive and growing problems: the increasing shortfall in supply of healthcare professionals in the face of expanding demand and the increasing requirement for a post-secondary education to secure a job with a living wage for families. Grant funds may be used for training and education as well as supportive services such as case management, child care, and transportation.

OPRE is utilizing a multi-pronged evaluation strategy in the *Evaluation Portfolio for the HPOG Program* to assess the HPOG demonstration projects. This strategy includes the following components: (1) the HPOG Implementation, Systems, and Outcome Project; (2) Evaluation of Tribal HPOG; (3) HPOG Impact Study; (4) additional impact studies of a subset of HPOG grantees through ISIS project; (5) National Implementation Evaluation of HPOG; and (6) University Partnership Research Grants for HPOG. These research and evaluation activities aim to provide information on program implementation, systems change, outcomes, and impact. The various components are closely coordinated to avoid duplicative efforts, maximize the reuse of data and information that is collected, reduce burden on grantees in terms of participating in the Federal evaluation activities and meeting performance management requirements, and promote cross-project learning.

HPOG Implementation, Systems, and Outcome Project

The purpose of this project, led by Abt Associates and the Urban Institute, is to provide recommendations for the design of an evaluation intended to be universal to the 27 HPOG sites focused on TANF recipients and other low-income individuals and to assess implementation, system change, and outcomes. For the design of this evaluation, questions of primary interest are:

1. How are health professions training programs being implemented across the grantee sites?
2. What changes to the service delivery system are associated with program implementation?
3. What individual-level outputs and outcomes occur (i.e., recruitment, enrollment, retention, completion [accreditation or certification], job entry, employment retention and advancement, earnings)?
4. What can be learned about how best to implement these programs for this population (what implementation and/or systems components are related to programs outputs and outcomes)?
5. What key components appear necessary or contribute to the success of these programs?

Additionally, under this contract, Abt Associates and The Urban Institute designed and provide ongoing support for the HPOG Performance Reporting System (PRS), a web-based management information system. This system supports the collection of data that will be used by ACF and its designated evaluation teams for both performance management and evaluation efforts across all 32 grantees. The system was operational on September 30, 2011.

The HPOG PRS includes all data needed to track and manage grantee performance. The system includes data necessary for future evaluations of HPOG, enabling a range of analyses at the participant, program, and grantee levels. Further, the individual-level data that grantees enter into the HPOG PRS will allow ACF's designated evaluation teams to link data from the system to other administrative data sources, including NDNH, to assess HPOG program outcomes.

Evaluation of Tribal HPOG

A separate comprehensive process and outcome evaluation is being conducted of the Tribal HPOG grantees. The evaluation is led by NORC at the University of Chicago, in partnership with Red Star Innovations and the National Indian Health Board. The goal of this evaluation is to provide documentation and lessons about diverse programmatic approaches to health professions training serving the tribal population. Interview and program operations data will be collected to provide an in-depth, systematic analysis of program implementation, operations, and outputs and outcomes in all tribal sites. *An Introduction to the Tribal Health Profession Opportunity Grants (HPOG) and Evaluation*, the first in a series of practice briefs being developed by the Tribal

HPOG evaluation team to disseminate lessons learned and findings, was released in December 2011.

HPOG Impact Study

The HPOG Impact Study is led by Abt Associates, in partnership with the Urban Institute. The Study is currently being designed to demonstrate how variations in program services affect program impacts. The literature on promising and innovative career pathway programs, especially in health care, is quite limited. As such, the HPOG Impact Study will fill a void in the sectoral training and career pathways literature, both about overall program effectiveness and types of programs or program components that are most effective. Key evaluation questions that this study will address include:

1. What impacts do HPOG programs have on outcomes of interest?
2. To what extent do these impacts vary by subgroups of interest?
3. To what extent does HPOG program participation (in particular components, with particular dosage) have an impact on outcomes of interest?
4. To what extent do HPOG program models or components have varying impacts?
5. To what extent do specific program enhancements have impacts, relative to the "standard" HPOG program?
6. How does parental participation in various HPOG program models and components affect outcomes for children?

National Implementation Evaluation of HPOG

The purpose of this project is to conduct a national implementation evaluation of the HPOG program focused on TANF recipients and other low-income individuals. Led by Abt Associates in partnership with the Urban Institute, the evaluation will involve multiple tasks that will assess implementation, systems change and outcomes, and provide valuable information about the operations of these federally-funded programs in improving education and employment opportunities for low-income individuals. This project also is designed to yield information and lessons about operating such programs and the challenges faced and addressed during implementation and throughout the operation of the program.

University Partnership Research Grants for HPOG

In FY 2011, ACF awarded five grantees funding through the University Partnership Research Grants for HPOG to support research and evaluation that will inform and improve HPOG program performance and complement ACF's multi-pronged evaluation of the HPOG programs. Applicants were required to demonstrate a partnership with an HPOG program(s) as an integral part of the research plan development and execution. The five grantees will work closely and coordinate with ACF's multi-pronged evaluation and the federal project officer in order to promote cross-project learning and avoid duplicative efforts. Grants were awarded to Brandeis University, Loyola University of Chicago, North Dakota State University, Northwestern University, and Temple University.

Family Strengthening

Given the large body of research on the strong link between family structure and relationships and a child's prospects for success, both ACF and ASPE include a focus on family strengthening research and evaluation. A number of projects have been undertaken to assess the effectiveness of healthy marriage and relationship education programs in improving family life outcomes, including child well-being, for different target populations as well as responsible fatherhood programs.

Healthy Marriage and Relationships

The *Building Strong Families (BSF) Demonstration and Evaluation*, conducted by Mathematica Policy Research (MPR), was a large-scale, multi-site implementation and impact evaluation of marriage and relationship education programs for romantically involved, low-income unmarried parents (18 or older) who were expecting or had a child three months of age or younger. The BSF project was developed in response to research indicating that, although many romantically involved unmarried parents expressed a desire and expectation to marry each other, their aspirations were largely not met as many broke up within a few years after the birth of their child. The BSF program model assessed through this evaluation was designed to support parents' desires to build strong families and tested in eight programs across the country. The program model included: (1) relationship and marriage education skills workshops, (2) case management through family support workers, and (3) referrals to other needed services. The BSF evaluation utilized a random assignment design, two rounds of survey data (at 15 and 36 months), and observational data collection for impact analysis and implementation analyses. An interim impact report on key measures and an implementation report documenting program management and operations by the eight agencies were released in May 2010. These findings were also published in the Journal of Policy Analysis and Management, Vol. 31, No. 2, 228–252 (2012). The final impact report presenting longer term (36 month) findings was released in November 2012, and, like the interim impact report, presents findings on key measures related to relationship status and quality, parenting and father involvement, and parent and child well-being.

The final impact analyses indicate that overall the BSF program model was not successful at improving couples' relationships and other key family life outcomes compared to outcomes for parents assigned to the control group. The final analyses found negative impacts on some measures such as living together, time fathers spent with children, and the percent providing substantial support. The positive interim impacts found in one program did not persist over the longer term except for a positive impact on the proportion of children living with both biological parents.

While the BSF evaluation focused on unwed parents, the *Supporting Healthy Marriage (SHM)* evaluation, being conducted for ACF by MDRC, is documenting impacts and the implementation of SHM programs serving low-income married couples with children. The SHM program model, operated by eight organizations in seven states, included marriage and relationship skills education workshops, case management services, and linkages to other needed services and supplemental activities for up to one year. The SHM evaluation utilized a random assignment design, two rounds of survey, and observational data collection for impact analysis (at 12 and 30 months) and implementation analyses. Initial impact and implementation reports were released in 2012 and a report on the longer term (30-month) follow-up is expected in 2013. Key findings from the interim impact analyses indicate that the SHM programs succeeded in producing a pattern of small, positive effects across a range of outcomes measuring different dimensions of couples' relationships and well-being, including increased marital happiness, lower levels of marital distress, greater warmth and support, more positive communication, and fewer negative behaviors and emotions in couples' interactions.

ACF undertook another evaluation study, the *Community Healthy Marriage Initiative Evaluation (CHMI)*, conducted by RTI International and the Urban Institute. This evaluation included: (1) implementation evaluations of 14 Office of Child Support Enforcement (OCSE)-sponsored demonstrations and (2) an impact and implementation evaluation in six communities based on a matched-community pairs design. The impact evaluation assessed the effects of federally-funded healthy marriage and relationship education services offered to a wide array of community members (i.e., singles, engaged couples, married couples, or unmarried parents) through multiple community partners in designated community areas. The evaluation assessed impacts at the community level through administration of a baseline and 24-month follow-up survey of a representative sample of adults in the demonstration and comparison communities. The impact evaluation found no consistent pattern of effects on the range of family life measures assessed across the demonstration and comparison communities or between the community pairs. The impact and implementation report was released in November 2012. Reports on the implementation of the OCSE-sponsored demonstrations also have been released.

In 2007, ASPE established the *National Center for Family and Marriage Research* through a cooperative agreement with Bowling Green State University. The Center examines how marriage and family structure affect the health and well-being of individuals, families, children, and communities by addressing key research questions and establishing a network of multi-disciplinary scholars who research marriage and family structure, develop and train future researchers, improve research methods and data to understand the effects of family structure in various domains across the life span, and actively disseminate findings.

In addition, ASPE contracted with MPR to commission a series of research papers examining the interaction between marriage and health in the African-American community. These papers were presented at *Social Determinants of Health: A Forum on the Relationship Between Marriage and Health Outcomes in African American Communities,* held in March of 2010, and published in two special issues of the *Journal of Family Issues,* entitled "Examining the Relationship Between Marriage and Health in African American Communities," published in August 2010 (volume 31, number 8) and September 2010 (volume 31, number 9).

To document approaches to incorporate culturally-appropriate services for diverse Hispanic populations, ACF and ASPE jointly-funded the *Hispanic Healthy Marriage Initiative Evaluation*. The study, led by the Lewin Group, included selected federally-funded Healthy Marriage grant programs serving primarily Hispanic individuals or couples and utilized multiple strategies, including discussions with program managers and staff, observations of program operations, and reviews of curriculum and other materials to document cultural adaptations to address the needs and interests of program participants. The evaluation was designed to describe how concepts used in healthy marriage education programs are being defined, adapted, and measured for Latino populations and assess their appropriateness and relevance, as perceived by participants and service delivery staff. A toolkit for practitioners, additional research briefs, and the final report will be released in 2013.

In 2011, ACF awarded a contract to Mathematica Policy Research (MPR) to conduct the *Parents and Children Together (PACT)* evaluation. This project employs multiple evaluation strategies – including impact, implementation, and qualitative approaches – to describe and evaluate both selected Responsible Fatherhood and Healthy Marriage grant programs. Interim descriptive reports regarding program and participant characteristics and implementation lessons are expected in 2013 and 2014 with a final impact report on a range of family life outcomes expected in 2016.

Fatherhood

In 2006, ACF and ASPE awarded a contract to RTI International to conduct the *Evaluation of the Marriage and Family Strengthening Grants for Incarcerated and Reentering Fathers and their Partners*. The evaluation will identify promising approaches to design interventions for couples where one partner is involved with the criminal justice system. The project includes an implementation evaluation of 12 sites and an impact evaluation in five sites, to evaluate what types of programs work best and what effects they may have on fostering healthy marriages, families, and children. Final implementation findings are expected in 2013 and the final impact report in 2015.

In 2011, ACF also awarded a contract to the Urban Institute to document the implementation of selected Responsible Fatherhood grant programs providing services to incarcerated fathers or those recently released. An interim report for the *Ex-Prisoner Reentry Strategies Study* on early grantee operational experiences and lessons as well as participant experiences is planned for 2013 with a final report to be released in 2014.

ASPE also engages in other methods of information collection around fatherhood-related issues. In 2011, ASPE provided supplemental funding to a National Institute of Child Health and Human Development (NICHD) grant on the *Transitions to Fatherhood*, to examine the costs and consequences of premature fatherhood. Findings from the supplemental grant will be submitted for journal publication. To improve future evaluations of fatherhood programs, the ASPE project, *Inside the Black Box: Improving Tools to Better Understand Program Impacts*, reviewed program evaluation and theoretical literature and consulted experts to identify non-demographic characteristics that could be measured at baseline to better identify subgroups of low-income fathers in future evaluations. The project included an environmental scan of innovative approaches used in other fields to examine subgroups, a literature review, a roundtable convening with federal and nonfederal experts to discuss implementation of findings, and a report that synthesized project findings.

For another project, ***Race, Place, and Poverty***, ASPE convened a symposium of a diverse group of experts with research and practitioner knowledge of low-income, urban men to begin to understand the perspectives of these men and the broader contextual factors affecting their well-being and ability to access and/or benefit from education, employment, and social services. Five domains were explored: educational attainment, employment and labor force attachment, family formation and stability, contact with the criminal justice system, and physical and mental health. Information from the project will be published in late 2013.

Cross-cutting Research

In addition to research that falls clearly within the substantive areas of TANF and the safety net, employment and the labor market, education and training, and family strengthening, OPRE's and ASPE's family self-sufficiency research portfolios include several projects, specifically in the fields of behavioral economics, child care, and homelessness, that cross-cut these issues.

Behavioral Economics

The *Behavioral Interventions to Advance Self-Sufficiency (BIAS)* project, launched by OPRE in 2010, is the first systematic attempt to apply a behavioral economics lens to programs that serve poor families in the U.S. The emerging science of behavioral economics, a blend of psychology and economics, has the potential to offer new insights to a variety of seemingly intractable social policy problems. The purpose of the project is to apply behavioral insights to issues related to operations, implementation, structure, and efficacy of social service programs and policies to explore how behavioral nudges and cues such as defaults, choice overloads, and identity alter the ability of ACF programs, staff, and clients to achieve desired outcomes. Ultimately, BIAS will provide new insights as to how tools from behavioral science can be used to improve the well-being of low-income children, adults, and families. The BIAS project is being conducted by MDRC.

After an intensive process of engaging with stakeholders across four primary ACF program areas – TANF; child care; child support; and programs for children, youth, and families—the team applies a diagnostic framework called "behavioral mapping" to identify which behavioral issues to address. The goal is to produce behavioral maps that show where psychological barriers or bottlenecks may obstruct program goals and suggest where behavioral interventions may make a difference.

The BIAS project will begin building evidence about the effectiveness of specific behaviorally-informed interventions through a series of pilot tests that will begin in 2013. The final phase of the project will involve scaling up and evaluating, using random assignment, those interventions that show the most promise during the pilot phase.

Child Care

In addition to the TANF Research Synthesis Briefs mentioned above, OPRE sponsored a joint *CCDF Research Synthesis Project* that also produced a series of research briefs. Completed in 2012, the purpose of this project was to inform research planning and support evidence-based decision making related to the Child Care and Development Fund (CCDF) programs. This project identified important areas and topics where research was needed to inform policy and practice and synthesized and summarized the existing knowledge base on these issues. The goal was to make the most recent, rigorous, and relevant research related to CCDF available in a format useful for both researchers and policymakers. Topics covered in the briefs include: how CCDF policies affect providers, research on children's health and safety in child care, and client-friendly strategies for CCDF.

OPRE, through a contract to NORC at the University of Chicago in partnership with Chapin Hall at the University of Chicago and Child Trends, is conducting the *National Survey of Early Care and Education (NSECE)*. This survey will document the Nation's current utilization and availability of early care and education (including school-age care), in order to deepen the understanding of the extent to which families' needs and preferences coordinate well with provider's offerings and constraints. The experiences of low-income families are of special interest as they are the focus of a significant component of early care and education/school-age public policy. The NSECE calls for nationally-representative samples, including interviews in all fifty states and Washington, DC, and will collect detailed employment information on all adults in the household as well as all child care arrangements for children birth to 13-years. These data will allow researchers to analyze and better understand how access to child care and receipt of child care subsidies by low-income families may be related to employment status, job stability, and type of employment.

Information about additional child care-related research conducted by ACF can be found through the website of OPRE’s *Division of Child and Family Development*.

ASPE also engages in child care-related research. ASPE used its Transfer Income Model (TRIM), a micro-simulation model maintained through a contract with the Urban Institute, to produce *Estimates of Child Care Eligibility and Receipt for Fiscal Year 2009*. This report showed that approximately one out of six (18 percent) children potentially eligible to receive subsidized care, based on the Federal eligibility parameters of CCDF, received subsidized care through CCDF or related government funding streams, including TANF, in an average month in FY 2009.

Homelessness

In 2010, ASPE undertook the *Linking Human Services and Housing Assistance for Homeless Families and Families at Risk of Homelessness* project to observe 14 communities that coordinate federally-funded housing supports and comprehensive services to more effectively serve homeless families and families at risk of becoming homeless. Of the 14 communities observed, four of the community models involved TANF in some way. For example, one community used TANF Emergency Contingency Funds to leverage HUD's Homelessness Prevention and Rapid Re-Housing Program dollars to provide housing and services to homeless families. Other communities targeted their program models to families enrolled in TANF and used TANF funding for services provided to homeless families. Case managers in many communities assisted families in applying for public benefits, including TANF. In at least one community, TANF staff served on a multi-disciplinary case review panel for homeless families enrolling in the program.

In addition to the study report, this project produced *Human Services and Housing Supports to Address Family Homelessness: Promising Practices in the Field*, which identified ten promising practices that were features of the 14 communities observed in the study. The project was conducted by Abt Associates and was completed in 2012.

Youth Development

OPRE launched the Youth Demonstration Development Project (YDD) in 2009 to systematically review the current field of research on youth development and successful transition to adulthood. YDD was conducted by Mathematica Policy Research and Chapin Hall at the University of Chicago to develop a conceptual framework that could be applied to existing or new programs to improve the well-being of at-risk youth, increase their ability to become self-sufficient adults and avoid long-term reliance on public assistance. In addition to this conceptual framework, the project produced briefs on the well being of LGB youth transitioning out of foster care, an assessment of promising occupations for at-risk youth that could put them on a path to becoming independent adults, and a research synthesis to support youth programming.

XV. Subsidized Employment and TANF

Overview

As noted in Chapter III of this report, one of the core countable work activities for the TANF program is subsidized employment. Subsidized employment programs administered by TANF agencies provide payments to employers or third-parties to help cover the costs of employee wages, benefits, supervision, and/or training. The Administration for Children and Families (ACF) has encouraged the utilization of subsidized employment programs in TANF as a pathway to unsubsidized employment and self-sufficiency. ACF has promoted subsidized employment programs through work on the TANF Emergency Contingency Fund, distribution of information on resources and partnering opportunities for summer youth employment, training and technical assistance efforts, as well as an emphasis on economic stability activities in Healthy Marriage and Responsible Fatherhood grants.

TANF Emergency Contingency Fund

The American Recovery and Reinvestment Act of 2009 established a new $5 billion TANF Emergency Contingency Fund (Emergency Fund) for states, territories, and tribes administering the TANF program. TANF Emergency funds were available in FY 2009 and FY 2010 to reimburse jurisdictions for 80 percent of the cost of increased spending in three areas: basic assistance, non-recurrent short-term benefits, and subsidized employment.

Under the law, every eligible jurisdiction was able to receive the equivalent of up to 50 percent of its annual TANF block grant, until the Emergency Fund was exhausted. In order to receive funds, the jurisdiction had to demonstrate increased spending in a quarter of FY 2009 or FY 2010 over the comparable quarter in the base-year – either FY 2007 or FY 2008 – in one or more of the three specified categories. If the jurisdiction demonstrated increased spending, it qualified for a reimbursement equal to 80 percent of the increased costs. This provision ensured that federal funds were being used in circumstances in which jurisdictions also were increasing their level of effort in responding to family needs during the economic downturn.

In order to facilitate the awarding of funds as quickly as possible, jurisdictions were allowed to submit reasonable estimates up to one month before the beginning of a quarter for caseload and expenditure data. Jurisdictions then revised estimates with actual data on subsequent quarterly submissions until caseload and expenditure figures were final. However, ACF is continuing to reconcile Emergency Fund awards based on revised qualifying expenditures.

Subsidized Employment under the TANF Emergency Fund

A major accomplishment of the Emergency Fund was its role in putting people to work by creating much-needed jobs. Jurisdictions responded to the ability of TANF Emergency funds to reimburse the development and expansion of subsidized employment programs, which, until that point, had not been a significant part of most TANF Programs.

Under this category, TANF jurisdictions were able to leverage emergency funds based on expenditures for the subsidized portion of an employee's wage, benefits, employer-related taxes, tools and uniforms, and other costs directly related to the actual work performed. They also were allowed to include supervision and training costs as TANF expenditures donated by the employer. In order to simplify calculations and ease the burden of documenting supervision and training costs, ACF released guidance that allowed states and territories to use a standard formula as a proxy. This ensured that no more than a fixed portion of the employee's wage cost could be claimed as a TANF expenditure.

Historically, jurisdictions had not extensively used TANF funds to create subsidized jobs, primarily because they saw little need to do so during periods when unemployment was low. However, between FY 2009 and FY 2010, a number of jurisdictions used TANF emergency funds to develop, implement, or expand a wide range of subsidized employment efforts. They took advantage of the additional resources made available by the TANF Emergency Fund in order to address high unemployment rates, which in some states had reached over 10 percent. Forty-two states and territories and eight tribes qualified for funding based on increases in expenditures for subsidized employment.

TANF jurisdictions used the Emergency Fund to support a wide range of subsidized employment programs, including transitional jobs, summer jobs programs for low-income youth, and supported work programs for individuals with disabilities or other barriers to employment. These programs were not limited to workers in families receiving cash assistance, but were broadly available to low-income populations, and provided job opportunities in the private sector, non-profit organizations, and government.

Jurisdictions had broad discretion in deciding how to structure their programs. For example, they could provide only a partial subsidy or subsidize up to 100 percent of the wage. Some jurisdictions had a consistent subsidy level for the duration of the subsidized placement, while others used a step-down approach, decreasing the portion of the wage subsidized as the participant progressed through the program. Program duration generally ranged from three to twelve months. While some jurisdictions made use of minimum wage placements, others used prevailing wages or other standards for determining appropriate wage levels.

Finally, all jurisdictions were required to comply with federal anti-displacement protections to ensure that an individual was not placed on a job through a TANF subsidy if another individual was on layoff from the same or any substantially equivalent job. Federal anti-displacement protections also ensured that the employer had not terminated the employment of any regular employee or caused an involuntary reduction in its work force in order to fill the vacancy with a subsidized worker.

TANF emergency funds were vital in helping jurisdictions develop and expand efforts to put people to work. A survey of state officials conducted by The Center for Budget and Policy Priorities found that, by September 2010, 262,520 unemployed individuals had been placed in subsidized jobs funded in whole or in part by the TANF Emergency Fund, including 138,050 youth.[12]

Research on Subsidized Employment

As noted in Chapter XIII of this report, the ACF Office of Planning Research and Evaluation (OPRE) launched the *Subsidized and Transitional Employment Demonstration Project (STED)* in 2010 to demonstrate and evaluate the next generation of subsidized employment models for critical low-income populations. The project, led by MDRC, examines strategies aimed at providing transitional and counter-cyclical employment strategies for successfully transitioning individuals from short-term subsidized employment to unsubsidized employment in the labor market. The evaluation includes a random assignment impact evaluation, an implementation evaluation at each project site, and an analysis of the costs and benefits (both financial and non-financial) of the subsidized employment programs included in the evaluation. The STED Project is being conducted in close coordination with Department of Labor's Enhanced Transitional Jobs Demonstration (ETJD).

STED began with an analysis of subsidized employment efforts under the Emergency Fund, in the report, *Subsidizing Employment Opportunities for Low- Income Families: A Review of State Employment Programs Created through the TANF Emergency Fund*, published in December 2011. For this report, MDRC interviewed state-level policymakers in each of the 42 jurisdictions that ran subsidized employment programs funded by the Emergency Fund, interviewed local-level program directors, conducted site visits to seven states, and analyzed federal reports to describe the range of designs and implementation strategies that states used in their subsidized employment programs. The report also discusses program expenditures and placements for subsidized employment programs that operated with support from the Emergency Fund, employer perspectives on the programs, and the fate of the programs following the expiration of the Emergency Fund. Figure 14-A is a summary table from the report documenting policies regarding wage reimbursement and length of subsidy.

[12] Pavetti, LaDonna, Liz Schott, and Elizabeth Lower-Basch, *Creating Subsidized Employment Opportunities for Low-Income Parents: The Legacy of the TANF Emergency Fund*, CBPP and CLASP, 16 February 2011 http://www.cbpp.org/files/2-16-11tanf.pdf

Figure 14-A: The Subsidized and Transitional Employment Demonstration: State and Territory Policies Regarding Wage Reimbursement and Length of Subsidy for Subsidized Employment Programs that operated with support from the TANF Emergency Fund

	Number of states and territories	Percentage (%)
Wage reimbursed		
100 percent	14	38.9
Set wage or less than 100 percent of wage[a]	14	38.9
Flat payment[b]	3	8.3
Varies by county	2	5.6
Declining reimbursement	2	5.6
Up to level of benefits	1	2.8
Length of subsidy		
3-6 months	17	47.2
8-12 months	7	19.4
12-18 months	1	2.8
Variable	3	8.3
Through September 30, 2010	7	19.4
Total number of states and territories reporting information	36	100

Source: Survey of state administrators and program directors, *Subsidizing Employment Opportunities for Low-Income Families: A Review of State Employment Programs Created Through the TANF Emergency Fund*

Notes:
[a]Most states in this category reimbursed employers the minimum wage for each hour employed. Hawaii reimbursed 100 percent of the minimum wage, but only reimbursed 50 percent of additional wages beyond the minimum wage.
[b]Texas and Utah paid employers $2,000; Virginia paid employers $300 per month plus $500 if the participant was hired after six months.

Distribution of Information on Summer Youth Employment

OFA published an Information Memorandum in March 2012 to remind TANF jurisdictions of the opportunity to use federal TANF and state maintenance-of-effort (MOE) funds for the creation and expansion of subsidized summer employment programs for low-income youth. ACF and the Department of Labor's Employment and Training Administration also sent out letters to state TANF agencies in 2012 and 2013 with information about resources and partnering opportunities available to create and strengthen summer youth employment programs.

Through these outreach and dissemination efforts, HHS and DOL have encouraged human services agencies to partner with Workforce Investment Boards (WIBs) to develop summer jobs programs that provide employment opportunities and valuable work experience for needy and at-risk youth. ACF has encouraged state human services agencies to expand the job opportunities for low-income youth by allocating TANF resources to summer youth employment programs and supportive services such as job shadowing and mentoring. ACF has highlighted opportunities for TANF agencies to partner, where appropriate, with Workforce Investment Act (WIA) programs, Community Action Agencies, and state and local child welfare agencies to expand subsidized employment opportunities and related workforce development services to youth, including young people in foster care.

TANF Oversight and Guidance

ACF provides oversight, monitoring, and guidance to states, tribes and local TANF administrators and other stakeholders through several avenues. ACF has sponsored workshops, roundtables, coaching sessions and webinars to disseminate promising practices, encourage peer-to-peer learning, and support TANF program implementation. ACF has developed guidance on various key topics, including subsidized employment, career pathways, building an evidence base, and working with special populations.

In FY 2011, the Promising Pathways Initiative worked with 10 sites from across the country engaged in providing services to TANF populations in a variety of areas, such as subsidized employment and transitional jobs, job training and placement, and education and career pathways. The customized guidance increased the capacity of programs to identify practice and program components, develop and document evidence, and articulate the effectiveness of the program or practice through data. Additionally, an Earned Income Tax Credit (EITC)-Subsidized Employment Initiative provided guidance to three states/localities in FY 2011 around ensuring that the TANF participants who participated in subsidized employment projects funded under the Recovery Act claimed the tax credits they were eligible for as low-income workers with families. Information on the EITC was disseminated to a total of 38,453 participants.

Thirteen regional events were also held in FY 2011 across all 10 ACF Regions, with common themes focused on implementing effective work programs in tough economic times, TANF data management and analysis, domestic violence services, engaging refugees, collaboration and interoperability across social services, enhancing career pathways, and partnering with Health Profession Opportunity Grants (HPOG). Additionally, three webinars focused on subsidized employment, the EITC, and addressing domestic violence.

In FY 2011, the Online Work Readiness Assessment (OWRA) tool, developed by ACF as a tool in identifying TANF participants' strengths and barriers was implemented statewide in all 46 counties in South Carolina and in 15 Family Community Resource Centers throughout Cook County, Illinois. A total of 450 case workers were using OWRA between the two sites with over 7,000 assessments created. In FY 2011, stakeholder interviews were conducted with approximately 20 state, county, and local leadership as well as front-line supervisors to continue to evaluate OWRA utilization and functionality.

Subsidized Employment in Healthy Marriage and Responsible Fatherhood Programs

As described in Chapter VII of this report, economic stability is a key focus of the Office of Family Assistance Healthy Marriage and Responsible Fatherhood Programs. Many Pathways to Responsible Fatherhood, Fatherhood Ex-Prisoner Reentry, and Healthy Marriage grantees provide job readiness, job placement services, and subsidized employment services to support economic stability improvement outcomes. During the period from April through September 2012, grantees in all three programs enrolled a total of over 400 individuals in subsidized employment programs.